# အဆိုပြုလွှာအသစ်ဆောင်ရွက်မှုမှတ်တမ်း

လုပ်ငန်းအမည် EP-4 ( [illegible] )

[illegible]

| စဉ် | ရက်စွဲ | စာအမှတ် / ရက်စွဲ | အကြောင်းအရာ | မှတ်ချက် |
| --- | --- | --- | --- | --- |
| ၁။ | ၁၄.၇.၂၀၁၄ | ၀၀၈/တ၅၂/ထ (၅၄၀/၂၀၁၄)<br>(၂၆.၆.၂၀၁၄) | [illegible]။ | [illegible]<br>[illegible]။ |
| ၂။ | | ရက.၅(ခ)/၀၀၁-၀၀၇/<br>၂၀၁၄(၁၀၁၁)<br>(၁၈.၇.၂၀၁၄) | [illegible] | ၁၉/၂၀၁၄ [illegible]<br>[illegible]<br>( DG [illegible]<br>[illegible] )<br>DMTZ နှင့် DD[illegible]<br>[illegible]<br>[illegible] PAT [illegible]<br>[illegible]။ |
| ၃။ | | ရက.၅(ခ)/၀၀၂၊၀၀၅၊၀၀၇၊<br>၀၀၈/၂၀၁၄(၂၈၃-၁)<br>(၂၃.၇.၂၀၁၄) | [illegible] သို့<br>[illegible] တောင်းခံခြင်း | |
| ၄။ | | ရက.၅(ခ)/၀၀၁-၀၀၇/<br>၂၀၁၄(၂၈၃.င)<br>(၂၃.၇.၂၀၁၄) | [illegible]<br>[illegible] သို့ [illegible] တောင်း<br>ခံခြင်း | |
| ၅။ | | ရက.၅(ခ)/၀၀၁-၀၀၇/<br>၂၀၁၄(၂၈၃.ဆ)<br>(၂၃.၇.၂၀၁၄) | [illegible] သို့<br>[illegible] တောင်းခံခြင်း | |
| ၆. | ၅.၈.၂၀၁၄ | ၁၁၀/([illegible])<br>(၉၂၉၈/၂၀၁၄)<br>(၁.၈.၂၀၁၄) | [illegible]<br>[illegible] | |
| ၇။ | | ၂/၂၂၀(ခ)(၆)(၅၈၃၆)/<br>၂၀၁၄)(၆.၈.၂၀၁၄) | ပတ်ဝန်းကျင်မှ [illegible]<br>ပြန်လာခြင်း။ | |
| ၈။ | | ရက-၅/ခ/၀၀၁-၀၀၇/<br>၂၀၁၄(၁၆၆)(၁၂.၈.၂၀၁၄) | [illegible]<br>[illegible] ပြန်ကြားခြင်း | |

| စဉ် | လက်ခံရရှိသည့်ရက်စွဲ | စာအမှတ်/ ရက်စွဲ | အကြောင်းအရာ | မှတ်ချက် |
|---|---|---|---|---|
| ၉။ | | ရက-၅(ဝ၁/၀၀၁-၀၀၇) | ပတ်ဝန်းကျင် ၁၁၆ဘာ ထားအား | |
| | | ၂၀၁၄(၁၈)(၁၈.၈-၂၀၁၄) | ဖွံ့မ်းအစဉ်ဝင်းကြီးမှာနဲ့ ပြန်ကြား | |
| | | | ခြင်း | |
| ၁၀။ | | DICA-5(E)/007/2014 | Permit & Decision | |
| | | (34) 23-8-2014 | | |
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(က) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်နေရာသည် နောင်ပြုလုပ်မည့်(သို့မဟုတ်) လက်ရှိ မြို့ပြစီမံကိန်းကို ထိခိုက်ခြင်းရှိ- မရှိ။

(ခ) မြို့နယ်ဒေသ အလုပ်အကိုင်အခွင့်အလမ်းနှင့် ဒေသစီးပွားရေး ဖွံ့ဖြိုးတိုးတက်မှုအတွက် အထောက်အကူ ဖြစ်- မဖြစ်။

(ဂ) ဖော်ပြပါ မြေနေရာအား အဆိုပြုလုပ်ငန်းဆောင်ရွက်ခြင်းအပေါ် ဒေသခံများက လူမှုရေး၊ စီးပွားရေး၊ သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းမှုတို့အရ လက်ခံနိုင်ခြင်းရှိ- မရှိ။

(ဃ) တိုင်းဒေသကြီးအစိုးရအဖွဲ့၏ အကြံပြုချက်။

၄။ ကုန်းပိုင်းလုပ်ကွက် MOGE-4 မြင်သာဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် IOR- 6 (မြန်အောင်ဒေသ) နှင့် ကုန်းပိုင်းလုပ်ကွက် IOR- 7 (ရွှေပြည်သာဒေသ) တို့နှင့် စပ်လျဉ်း၍ ဒေါ်ခင်ခင်အေး၊ တယ်လီဖုန်း ၀၆၇-၄၁၁၃၂၀၊ ၀၉-၄၂၀၇၀၇၇၄၀ သို့ ဆက်သွယ် ဆောင်ရွက်နိုင်ပါကြောင်း အသိပေးကြေငြာအပ်ပါသည်။

ဥက္ကဋ္ဌ (ကိုယ်စား)
( အောင်နိုင်ဦး၊ အတွင်းရေးမှူး)

မိတ္တူကို

ညွှန်ကြားရေးမှူးချုပ်
မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း
ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန
ရုံးလက်ခံ/ မျှောစာတွဲ

Ep-4

Form (2)

Republic of the Union of Myanmar ★ Myanmar Investment Commission

Sr.No. 34

Date 23-8-2014

# THE REPUBLIC OF THE UNION OF MYANMAR

## The Myanmar Investment Commission

## PERMIT

Permit No. 790/2014 Date 23rd, August 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law:-

(a) Name of Investor/Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT, MINISTRY OF ENERGY

(b) Citizenship MYANMAR

(c) Address BUILDING NO. 6, NAY PYI TAW

(d) Name and address of Principal Organization MINISTRY OF ENERGY, BUILDING NO. 6, NAY PYI TAW

(e) Place of Incorporation BUILDING NO. 6, NAY PYI TAW

(f) Type of Investment Business EXPLORATION & PRODUCTION OF CRUDE OIL AND NATURAL GAS

(g) Place(s) at which Investment is permitted ONSHORE BLOCK (EP-4) MAYAMAN AREA, BAGO REGION

(h) Amount of Foreign Capital US$ 38.405 MILLION

(i) Period for Foreign Capital brought in YEAR 2014 TO YEAR 2021

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 38.405 MILLION

(k) Construction Period YEAR 2014 TO YEAR 2021

(l) Validity of Investment Permit 6 YEARS AND 6 MONTHS

(m) Form of investment PRODUCTION SHARING CONTRACT

(n) Name of Company incorporated in Myanmar
BASHNEFT INTERNATIONAL B.V. & SUN APEX HOLDINGS LIMITED

Chairman
The Myanmar Investment Commission

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
# မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
# ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၇၉၀/၂၀၁၄ ၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၂၉ ရက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေပုဒ်မ ၁၃၊ ပုဒ်မခွဲ (ခ) အရဤခွင့်ပြုမိန့်ကိုမြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်ကထုတ်ပေးလိုက်သည်-

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် ညွှန်ကြားရေးမှူးချုပ်၊ စွမ်းအင်စီမံရေး ဦးစီးဌာန၊ စွမ်းအင်ဝန်ကြီးဌာန

(ခ) နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ စွမ်းအင်ဝန်ကြီးဌာန၊ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(င) ဖွဲ့စည်းရာအရပ် ရုံးအမှတ် (၆)၊ နေပြည်တော်

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား ရေနံနှင့် သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) ကုန်းတွင်းပိုင်းဒေသ၊ လုပ်ကွက်အမှတ် (EP-4) မရမန်ဒေသ၊ ပဲခူးတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်းပမာဏ အမေရိကန်ဒေါ်လာ ၃၈.၄၀၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၁၄ ခုနှစ် မှ ၂၀၂၀ ခုနှစ်အထိ

(ည) စုစုပေါင်းမတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၃၈.၄၀၅ သန်းနှင့် ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂၀၁၄ ခုနှစ် မှ ၂၀၂၀ ခုနှစ်အထိ

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၆နှစ် ၆ လ

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ PRODUCTION SHARING CONTRACT

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် BASHNEFT INTERNATIONAL B.V. & SUN APEX HOLDINGS LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

**REPUBLIC OF THE UNION OF MYANMAR**
**MYANMAR INVESTMENT COMMISSION**
**No.(1), Thitsar Road, Yankin Township, Yangon**

Our ref: DICA-5(E)/007/ 2014( 34 ) Tel: 95-1-657892
Date : 23 August 2014. Fax: 95-1-657825

**Subject:** **Decision of the Myanmar Investment Commission on the Proposal for "Exploration and Production of Crude Oil & Natural Gas for Onshore Block EP-4 (Mayaman Area) in Bago Region" under the name of " Bashneft International B.V. & Sun Apex Holdings Limited"**

Reference: Ministry of Energy, Letter No. 008/882/Hta (540/2014) dated (26-6-2014).

1. The Myanmar Investment Commission, at its meeting (19 /2014) held on dated 18th July 2014 had reviewed the proposal and resolved to permit for investment in "Exploration and Production of Crude Oil & Natural Gas for Onshore Block EP-4 (Mayaman Area) in Bago Region " under the name of "Bashneft International B.V. & Sun Apex Holdings Limited" pursuant to the Production Sharing Contract to be signed between Myanma Oil and Gas Enterprise and Bashneft International B.V. & Sun Apex Holdings Limited with the approved of the Cabinet of the Union Government, at its meeting (11/2014) held on dated 4th June 2014.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, Section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. Subject to the provision of the Memorandum of Understanding, dated 21st August 2013, the participating interests of the parties in respect of the Production Sharing Contract (PSC) shall be as follows:

| | | |
|---|---|---|
| Bashneft International B.V. | (The Netherlands) | 90% |
| Sun Apex Holdings Limited | (British Virgin Islands) | 10% |

4. The permitted duration of the project shall be 20 (Twenty) years. An initial preparation period shall be 6 (six) months and exploration period shall be 3(three) consecutive years and extendable 2 (two) years one time for first extension and 1 (one) year for second extension period.

5. Bashneft International B.V. & Sun Apex Holdings Limited shall pay royalty to the Government equal to 12.5% of the value of Available Petroleum from the Contract Area.

6. Bashneft International B.V. & Sun Apex Holdings Limited shall pay to Myanma Oil & Gas Enterprise to the amount of US $ 4 Million (United States Dollar four million only) as Signature Bonus within 30 days after getting permit from Myanmar Investment Commission.

7. Production Split between Myanma Oil and Gas Enterprise and Bashneft International B.V. & Sun Apex Holdings Limited shall be allocated for Development and Production Area as follows:-

**Crude Oil**

| BOPD | MOGE(%) | CONT (%) |
|---|---|---|
| 0 - 10,000 | 60 | 40 |
| 10,001 - 20,000 | 65 | 35 |
| 20,001 - 50,000 | 70 | 30 |
| 50,001 - 100,000 | 80 | 20 |
| 100,001 - 150,000 | 85 | 15 |
| Above 150,000 | 90 | 10 |

**Natural Gas**

| MMCFD | MOGE(%) | CONT (%) |
|---|---|---|
| Up to 60 | 60 | 40 |
| 61 - 120 | 65 | 35 |
| 121 - 300 | 70 | 30 |
| 301 - 600 | 80 | 20 |
| 601 - 900 | 85 | 15 |
| Above 900 | 90 | 10 |

8. Bashneft International B.V. & Sun Apex Holdings Limited shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each Crude Oil and Natural Gas development and production area as follows:

**Production Bonus**

**Crude Oil**

| At BOPD | US $(MILLION) |
|---|---|
| Upon approval of Development Plan | 0.50 |
| 10,000(for 90 consecutive days production) | 1.50 |
| 20,000 (for 90 consecutive days production) | 2.00 |

| | |
|---|---|
| 50,000(for 90 consecutive days production) | 3.00 |
| 100,000(for 90 consecutive days production) | 4.00 |
| 150,000(for 90 consecutive days production) | 6.00 |

**Natural Gas**

| **At MMCFD** | **US $(MILLION)** |
|---|---|
| Upon approval of Development Plan | 0.50 |
| 60(for 90 consecutive days production) | 1.50 |
| 120(for 90 consecutive days production) | 2.00 |
| 300(for 90 consecutive days production) | 3.00 |
| 600(for 90 consecutive days production) | 4.00 |
| 900(for 90 consecutive days production) | 6.00 |

9. After the commencement of commercial production of Crude Oil, shall fulfil as its obligation 20% (twenty) percent of Crude Oil and 25% (twenty five) percent of Natural Gas toward the supply of the domestic Crude Oil and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90%(ninety) percent of the Fair Market Price.

10. Bashneft International B.V. & Sun Apex Holdings Limited shall provide Training Fund to the amount of US $ 25,000 (United States Dollar twenty five thousand only) per contract year for Exploration Period and US $ 50,000 (United States Dollar fifty thousand only) per contract year for Development and Production Period shall also provide Research and Development Fund to the amount of 0.5% (zero point five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Myanma Oil and Gas Enterprise shall have the right to demand from Bashneft International B.V. & Sun Apex Holdings Limited that up to 15% (fifteen) percent after commercial discovery and up to 25% (twenty five) percent undivided interest.

12. Bashneft International B.V. & Sun Apex Holdings Limited is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

| | |
|---|---|
| (a) If the amount of Net Profit is up to and including US$ 100 million (United States Dollars one hundred million only) | 40% |

(b) If the amount of Net Profit is between US$ 100 million and US$ 150 million (United States Dollar one hundred million only and United States Dollar one hundred and fifty million only) 45%

(c) If the amount of Net Profit is over US$ 150 million (United States Dollar one hundred and fifty million only) 50%

13. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per section 27(a),(h) and (i) of the Foreign Investment Law. Other exemptions and reliefs under Chapter XII, section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

14. Bashneft International B.V. & Sun Apex Holdings Limited shall have to sign the Production Sharing Contract with Myanma Oil and Gas Enterprise. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

15. Bashneft International B.V. & Sun Apex Holdings Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

16. Bashneft International B.V. & Sun Apex Holdings Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

17. The commercial date of operation shall be reported to the Commission.

18. Bashneft International B.V. & Sun Apex Holdings Limited shall endeavour to meet the targets for Exploration and Production of Crude Oil & Natural Gas stated in the proposal as the minimum target.

19. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal Bashneft International B.V. & Sun Apex Holdings Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

20. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

21. Whenever Bashneft International B.V. & Sun Apex Holdings Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 20(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

22. Bashneft International B.V. & Sun Apex Holdings Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

23. Bashneft International B.V. & Sun Apex Holdings Limited shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

24. Bashneft International B.V. & Sun Apex Holdings Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Impact Assessment (EIA) and to report Social Impact Assessment (SIA) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with these reports and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

25. Bashneft International B.V. & Sun Apex Holdings Limited shall contribute Corporate Social Responsibility (CSR) activities in Myanmar.

26. Bashneft International B.V. & Sun Apex Holdings Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions.

27. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the income of Bashneft International B.V. & Sun Apex Holdings Limited.

28. Bashneft International B.V. & Sun Apex Holdings Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII , Rules 79 and 80 of the Foreign Investment Law.

(Zay Yar Aung)
Chairman

**Director General**
**Energy Planning Department**

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development

3. Ministry of Finance
4. Ministry of Commerce
5. Ministry of Industry
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Energy
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Environmental Conservation and Forestry
12. Ministry of Electric Power
13. Office of the Bago Region Government
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Human Settlement and Housing Development
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Director General, Department of Environmental Conservation
26. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
27. Bashneft International B.V.
28. Sun Apex Holdings Limited

P1.109
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အထွေထွေ အရပ်ရပ် -၁၆
(ရုံးတွင်း စာအကျဉ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်)

ရက်စွဲ၊၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၂၈ ရက်

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုအား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-3(သဲကုန်း -ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1(အင်းတော် -ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ) နှင့် EP-4 (မရမန်ဒေသ) တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contracts- PSC) အရ ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် အဆိုပြု တင်ပြခြင်းကိစ္စ**

၁။ ၁၈-၇-၂၀၁၄ ရက်နေ့တွင် ကျင်းပပြုလုပ်သည့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်၏ (၁၉/၂၀၁၄) ကြိမ်မြောက် အစည်းအဝေး ဆုံးဖြတ်ချက်အရ ကုမ္ပဏီသို့ ထုတ်ပေးမည့် ခွင့်ပြုမိန့် (Permit) နှင့် ဆုံးဖြတ်ချက် (Decision) များကို လက်မှတ်ရေးထိုးပေးနိုင်ပါရန် ပြုစုတင်ပြအပ်ပါသည်။

28/7/14
(အေးငြိမ်းကျော်)

**ဦးစီးအရာရှိ**

၂။ ခွင့်ပြုမိန့် (Permit) နှင့် ဆုံးဖြတ်ချက် (Decision) များ အား လက်မှတ် တင်ပြအပ်ပါသည်။

28.7.2014
(သင်းကေဝင်း)

လက်ထောက်ညွှန်ကြားရေးမှူး

၃။ MIC (19/2014)(18.7.2014) အစည်းအဝေး မှ ခွင့်ပြုခဲ့သော နိုင်ငံခြား (၅) ခု နှင့် ကုန်းပိုင်းလုပ်ကွက် (၇) ခု တို့ PSC စာချုပ် ဖြင့် ချုပ်ဆိုသည့် case များ၏ ခွင့်ပြုမိန့် (Permit) နှင့် ဆုံးဖြတ်ချက် (Decision) (မူကြမ်း) များ အား တင်ပြအပ် ပါသည်။

28/7
(အေးမိုးအောင်)

ဒုတိယညွှန်ကြားရေးမှူး

၄။ ၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၁၈ ရက်နေ့ ကျင်းပခဲ့သော MIC (၁၉/၂၀၁၄) အစည်းအဝေး မှ ခွင့်ပြုခဲ့သည့် ကုန်းပိုင်းလုပ်ကွက် (၇) ခုအတွက်

အထွေထွေ အရပ်ရပ် -၁၆

(ရုံးတွင်း စာအကျဉ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်) [illegible]

[illegible] ( [illegible] ) များ [illegible] / PL [illegible]

[illegible] တင်ပြအပ်ပါသည်

28.7.14

( [illegible] )

ညွှန်ကြားရေးမှူး

၅။ [illegible] ပါသည်။

၂၈/၇ ( [illegible] )

ဒု-ညွှန်မှူး (P.L)

လ/ထညွှန်မှူး

၆။ MIC permit ၏ English version Sr. No. (i) (k) ၊ မြန်မာ version Sr. No. ( [illegible] ) နှင့် ( [illegible] ) တို့နှင့် Decision အပိုဒ် (၁၂) နှင့် (၁၆) တို့ [illegible] ပြီး တင်ပြအပ်ပါသည်။

28.7.2014

[illegible]

ဒု-ညွှန်မှူး

၇။ [illegible] တင်ပြအပ်ပါသည်။

၂၈/၇

( [illegible] )

ဦးစီးမှူး ( [illegible] )

၈။ စိစစ်ပြီး တင်ပြအပ်ပါသည်။

[illegible]

D5 32/19/8/14

အထွေထွေ အရပ်ရပ် -၁၆
(ရုံးတွင်း စာအကျဉ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၁၅ ရက်

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြား ရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်- နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)နှင့် EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (Production Sharing Contracts - PSC) အရ ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် အဆိုပြု တင်ပြလာခြင်းကိစ္စ**

၁။ အထက်အကြောင်းအရာပါကိစ္စနှင့်စပ်လျဉ်း၍ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်အား စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် စာမူကြမ်းတွင် လက်မှတ်ရေးထိုးပေးနိုင်ပါရန် ပြုစုတင်ပြအပ်ပါသည်။

15/8/14
(အေးငြိမ်းကျော်)

**ဦးစီးအရာရှိ**

၂။ စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် စာမူကြမ်းအား ဆက်လက်တင်ပြအပ်ပါသည်။

၁၅-၈-၂၀၁၄
(သန်းဇော်ဝင်း)

လက်ထောက်ညွှန်ကြားရေးမှူး

၃။ စွမ်းအင်ဝန်ကြီးဌာနသို့ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက် ပြန်ကြားမည့် စာကြမ်းအား ဆက်လက်တင်ပြအပ်ပါသည်။

15/8
(ဒေါ်မိုးအောင်)

ဒုတိယညွှန်ကြားရေးမှူး

၄။ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်အား စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် (စာကြမ်း) အား လက်မှတ်ရေးထိုးပေးနိုင်ပါရန် ဆက်လက်တင်ပြအပ်ပါသည်။

18-8-14
(ခင်ခင်ညွန့်)

အထွေထွေ အရပ်ရပ် -၁၆

(ရုံးတွင်း စာအကျဉ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်)

[illegible]

၅။ [illegible]

[illegible]

၆။ [illegible]

[illegible]

၇။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
**မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်**
အမှတ်(၁)၊ သစ္စာလမ်း၊ ရန်ကင်းမြို့နယ်၊ ရန်ကုန်မြို့

စာအမှတ်၊ရက-၅(စ)/၀၀၁-၀၀၇/၂၀၁၄ ( ၇၈ )
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၁၈ ရက်

ပြည်ထောင်စုဝန်ကြီးရုံး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)နှင့် EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (Production Sharing Contracts - PSC) အရ ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် အဆိုပြုတင်ပြလာခြင်းကိစ္စ**

ရည် ညွှန်း ချက်။
(၁) မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်၏ ၂၃-၇-၂၀၁၄ ရက်စွဲပါစာ အမှတ် ရက-၅(စ)/ ၀၀၁-၀၀၇/၂၀၁၄ (၂၈၃-င)

(၂) ပတ်ဝန်းကျင် ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာ ဝန်ကြီးဌာန၊ ပြည်ထောင်စု ဝန်ကြီးရုံး၏ ၆-၈-၂၀၁၄ ရက်စွဲပါစာအမှတ် ၂/၂၂၀ (ခ)(၆)/ (၅၈၃၆/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်- နန်တောဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ) ပဲခူးတိုင်းဒေသကြီး၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ) မကွေးတိုင်းဒေသကြီး၊ C-1 (အင်းတော်-ရနန်းဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ) ပဲခူးတိုင်းဒေသကြီး၊ MOGE-4 (မြင်သာဒေသ) ဧရာဝတီတိုင်းဒေသကြီးနှင့် EP-4 (မရမန်ဒေသ) ပဲခူးတိုင်းဒေသကြီးတို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် Production Sharing Contract(PSC) ချုပ်ဆိုလုပ်ကိုင်နိုင်ရန် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေအရ ဆောင်ရွက်ခွင့်ပြုပါရန် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြုတင်ပြလာခြင်းကိစ္စအတွက် ကော်မရှင်မှ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာ ဝန်ကြီးဌာနသို့ ရည်ညွှန်းချက်(၁)ပါစာဖြင့် သဘောထားတောင်းခံခဲ့ရာ ရည်ညွှန်းချက် (၂)ပါစာဖြင့် တစ်ဖက်ပါအတိုင်းသဘောထားမှတ်ချက် ပြန်ကြားလာပါသည်-

(က) ဖော်ပြပါ ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော် ထုတ်လုပ်မည့် နေရာများသည် ရေဝေရေလဲဒေသ၊ သစ်တောကြိုးဝိုင်း၊ ကြိုးပြင်ကာကွယ်တောနှင့် သဘာဝနယ်မြေ အတွင်းကျရောက်ပါက မြေနေရာနှင့်စပ်လျဉ်း၍ သစ်တောဦးစီးဌာန၏ သဘောထား ရယူဆောင်ရွက်ရန်။

(ခ) အဆိုပြုလုပ်ငန်းကြောင့် ဖြစ်ပေါ်လာနိုင်သည့် ပတ်ဝန်းကျင်နှင့် လူမှုရေး ထိခိုက်မှု များကို ရှောင်ရှားနိုင်ရန်အတွက် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရာတွင် ပတ်ဝန်းကျင်ထိခိုက်မှု အနည်းဆုံး ဖြစ်စေမည့် စက်ပစ္စည်းကိရိယာများနှင့် နည်းပညာများကို အသုံးပြုရန်။

(ဂ) အဆိုပြုလုပ်ငန်းကြောင့် ပတ်ဝန်းကျင်နှင့် လူမှုရေးထိခိုက်မှု မဖြစ်ပေါ်စေရေး (သို့မဟုတ်) ပတ်ဝန်းကျင်နှင့် လူမှုရေးထိခိုက်မှု အနည်းဆုံး ဖြစ်စေရေးတို့အတွက် လုပ်ငန်းမစတင်မီ သက်ဆိုင်ရာ ကုမ္ပဏီများမှ လုပ်ကွက်တစ်ခုချင်းစီအလိုက် ပတ်ဝန်းကျင်ထိခိုက်မှုနှင့် လူမှုရေးထိခိုက်မှုဆန်းစစ်ခြင်း (Environmental and Social Impact Assessment - ESIA) ဆောင်ရွက်ပြီး အစီရင်ခံစာများ တင်ပြရန်။

(ဃ) အထက်ပါ လေ့လာဆန်းစစ်မှုရလဒ်များကို အခြေခံ၍ ပတ်ဝန်းကျင်နှင့် လူမှုရေး ဆိုင်ရာ ထိခိုက်မှု အနည်းဆုံးဖြစ်စေသည့် လုပ်ငန်းဆောင်ရွက်မည့် အစီအစဉ်၊ စွန့်ပစ်ပစ္စည်း/ စွန့်ပစ်အရည်များ စီမံခန့်ခွဲမှုအစီအစဉ်၊ စောင့်ကြည့်လေ့လာမည့် အစီအစဉ်၊ ပတ်ဝန်းကျင် ထိခိုက်မှုလျော့ပါးရေး ဆောင်ရွက်မည့် လုပ်ငန်းများ အတွက် သုံးစွဲမည့်ရန်ပုံငွေစသည်တို့ ပါဝင်သည့် ပတ်ဝန်းကျင်ထိခိုက်မှု လျော့ပါး ရေး ဆောင်ရွက်မည့် လုပ်ငန်းများအတွက် သုံးစွဲမည့်ရန်ပုံငွေ စသည်တို့ ပါဝင်သည့် ပတ်ဝန်းကျင် စီမံခန့်ခွဲမှုစီမံချက် (Environmental Management Plan- EMP) ရေးဆွဲတင်ပြရန်နှင့် စီမံချက်ပါအတိုင်း ဆောင်ရွက်ရန်။

(င) ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဆိုင်ရာ ဥပဒေ၊ နည်းဥပဒေနှင့် စံသတ်မှတ်ချက်များ၊ ESIA နှင့် EMP တို့တွင် ဖော်ပြပါရှိသည့် အချက်များအား လိုက်နာမည်ဖြစ်ကြောင်း ကတိဝန်ခံချက်ကို ဖော်ပြရန်။

(စ) သက်ဆိုင်ရာ တိုင်းဒေသကြီး/ ပြည်နယ်အစိုးရအဖွဲ့နှင့် ဒေသခံပြည်သူများနှင့် ဆွေးနွေးညှိနှိုင်းမှုများ၊ သဘောထားရယူခြင်းများ ဆောင်ရွက်ရန်။

(ဆ) ပြဋ္ဌာန်းထားသည့် ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဆိုင်ရာ ဥပဒေ၊ နည်းဥပဒေ၊ လုပ်ထုံး လုပ်နည်း၊ စည်းမျဉ်းစည်းကမ်းနှင့်အညီ လိုက်နာ အကောင်အထည်ဖော် ဆောင်ရွက် ရန်။

၂။ သို့ဖြစ်ပါ၍ စွမ်းအင်ဝန်ကြီးဌာန အနေဖြင့် လိုအပ်သည့် ပြင်ဆင်မှုများ ပြုလုပ်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဥက္ကဋ္ဌ(ကိုယ်စား)
(မြသူဇာ၊ တွဲဖက်အတွင်းရေးမှူး)

မိတ္တူကို

ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန

ဦးဆောင်ညွှန်ကြားရေးမှူး
မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း

ရုံးလက်ခံ/ မျှောစာတွဲ

အထွေထွေ အရပ်ရပ် -၁၆
(ရုံးတွင်း စာအကျဉ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်)

ရက်စွဲ၊၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၁၁ ရက်

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြား ရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်- နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)နှင့် EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (Production Sharing Contracts - PSC) အရ ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် အဆိုပြု တင်ပြလာခြင်းကိစ္စ**

၁။ အထက်အကြောင်းအရာပါကိစ္စနှင့်စပ်လျဉ်း၍ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်အား စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် စာမူကြမ်းတွင် လက်မှတ်ရေးထိုးပေးနိုင်ပါရန် ပြုစုတင်ပြအပ်ပါသည်။

၁၁/၈/၁၄
(အေးငြိမ်းကျော်)

**ဦးစီးအရာရှိ**

၂။ စိစစ်တင်ပြအပ်ပါသည်။

၁၁၊၈၊၁၄
(မေမိုးဦး)

လက်ထောက်ညွှန်ကြားရေးမှူး

၃။ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်အား စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် စာမူကြမ်းတွင် လက်မှတ်ရေးထိုးပေးနိုင်ပါရန် ဆက်လက်တင်ပြအပ်ပါသည်။

11/8
(ဒေါ်မိုးကောင်)

ဒုတိယညွှန်ကြားရေးမှူး

၄။ စွမ်းအင်ဝန်ကြီးဌာနသို့ ပြန်ကြားမည့် အကြောင်းကြားစာ(မူကြမ်း) အား ဆက်လက်တင်ပြအပ်ပါသည်။

11/8/14
(ခင်ခင်ဝင်း)

ညွှန်ကြားရေးမှူး

၅။ အကြောင်းကြားစာရေးထိုးပေးနိုင်ပါရန် တင်ပြအပ်ပါသည်။



၁၁.၈ [illegible]

အထွေထွေ အရပ်ရပ် -၁၆
(ရုံးတွင်း စာအကျဥ်းချုပ် (သို့မဟုတ်) စာကြမ်းရေးရန်အတွက်)

ဤဘက် [illegible]

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
**မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်**
အမှတ်(၁)၊ သစ္စာလမ်း၊ ရန်ကင်းမြို့နယ်၊ ရန်ကုန်မြို့

Myanmar Investment Commission
☎ ၀၁-၆၅၇၈၉၂
🖷 ၀၁-၆၅၇၈၂၅

စာအမှတ်၊ရက-၅/စ/၀၀၁-၀၀၇/၂၀၁၄ ( ၁၆ )
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၁၂ ရက်

သို့

**ပြည်ထောင်စုဝန်ကြီးရုံး**
**စွမ်းအင်ဝန်ကြီးဌာန**

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)နှင့် EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (Production Sharing Contracts - PSC) အရ ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် အဆိုပြုတင်ပြလာခြင်းကိစ္စ**

ရည် ညွှန်း ချက်။ လျှပ်စစ်စွမ်းအား ဝန်ကြီးဌာန၏ ၁-၈-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၁လစ/(သဘောထား) (၉၂၉၈)/ ၂၀၁၄

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်- နန်တောဒေသ)၊ စစ်ကိုင်းတိုင်းဒေသကြီး၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ ပဲခူးတိုင်းဒေသကြီး၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ မကွေးတိုင်းဒေသကြီး၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ စစ်ကိုင်းတိုင်းဒေသကြီး၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ ပဲခူးတိုင်းဒေသကြီး၊ MOGE-4 (မြင်သာဒေသ)၊ ဧရာဝတီတိုင်းဒေသကြီးနှင့် EP-4 (မရမန်ဒေသ)၊ ပဲခူးတိုင်းဒေသကြီး တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် Production Sharing Contract(PSC) ချုပ်ဆိုလုပ်ကိုင်နိုင်ရန် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှုဥပဒေအရ ဆောင်ရွက်ခွင့်ပြုပါရန် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြုတင်ပြလာခြင်း ကိစ္စအတွက် ကော်မရှင်မှ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနသို့ သဘောထားတောင်းခံခဲ့ရာ **"ကုန်းတွင်းပိုင်း ရေနံလုပ်ကွက်များတွင် လုပ်ကွက်များအတွင်း ကျရောက်နေသောနောက်ဆက်တွဲ (က)ပါ စီမံကိန်းဧရိယာများ လုပ်ငန်း ဆောင်ရွက်ရာ၌ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနနှင့်**

**စွမ်းအင်ဝန်ကြီးဌာနတို့ ညှိနှိုင်း သဘောတူညီချက်များအတိုင်း ဆောင်ရွက်မည်ဆိုပါက ကန့်ကွက်ရန် မရှိပါကြောင်း"** သဘောထား ပြန်ကြားလာခြင်းအား သိရှိနိုင်ပါရန် အကြောင်းကြား အပ်ပါသည်။

ဥက္ကဋ္ဌ(ကိုယ်စား)
(မြသူဇာ၊ တွဲဖက်အတွင်းရေးမှူး)

မိတ္တူ

ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန

ဦးဆောင်ညွှန်ကြားရေးမှူး
မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း

ရုံးလက်ခံ/ မျှောစာတွဲ

7

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
# ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့်သစ်တောရေးရာဝန်ကြီးဌာန
# ပြည်ထောင်စုဝန်ကြီးရုံး

NPT - 595
8.8.14

စာအမှတ် ၂/၂၂၀(ခ)(၆)/(၅၈၃၆ /၂၀၁၄)
ရက်စွဲ ၂၀၁၄ခုနှစ်၊ဩဂုတ်လ ၄ ရက်

သို့
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

အကြောင်းအရာ။ **<u>ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော် ထုတ်လုပ်ခြင်း လုပ်ငန်းနှင့် ပတ်သက်၍ သဘောထားမှတ်ချက်တင်ပြခြင်း</u>**

ရည်ညွှန်းချက် ။ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ၂၃-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ရက-၅(စ)/၀၀၁-၀၀၇/ ၂၀၁၄ (၂၈၃-င)

၁။ အထက်အကြောင်းအရာပါ ကိစ္စနှင့်ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာန ၊ မြန်မာ့ရေနံနှင့် သဘာဝ ဓာတ်ငွေ့လုပ်ငန်းနှင့် ကုမ္ပဏီ(၇)ခုတို့မှ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊တူးဖော်၊ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contract-PSC) ချုပ်ဆိုဆောင်ရွက်ခွင့်ပြုပါရန် ကိစ္စနှင့်စပ်လျဉ်း၍ စိစစ်ပြီး ဌာနဆိုင်ရာ သဘောထားမှတ်ချက်ကို ပြန်ကြားအပ်ပါသည်။

၂။ အဆိုပြုလွှာတွင် အောက်ဖော်ပြပါ ကုမ္ပဏီများမှ လုပ်ကွက်(၇)ကွက်တွင် ဆောင်ရွက်မည်ဖြစ်ကြောင်း ဖော်ပြထားပါသည်-

| <u>စဉ်</u> | <u>လုပ်ကွက်အမှတ်</u> | <u>ကုမ္ပဏီအမည်</u> | <u>ထည့်ဝင်မှုအချိုး</u> |
|---|---|---|---|
| (က) | B-2 (ဇီးဖြူတောင်နန်တောဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | ONGC Videsh Ltd. (အိန္ဒိယနိုင်ငံ) နှင့် Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၉၇ % နှင့် ၃ % |
| (ခ) | EP-3 (သဲကုန်း-ရွှေကူဒေသ) ပဲခူးတိုင်းဒေသကြီး | ONGC Videsh Ltd. (အိန္ဒိယနိုင်ငံ) နှင့် Machinery and Solution Co., Ltd. (မြန်မာနိုင်ငံ) | ၉၇ % နှင့် ၃ % |
| (ဂ) | EP-1 (ကျောက်ကြီးမင်းတုန်းဒေသ) မကွေးတိုင်းဒေသကြီး | Brunei National Petroleum Co., Sdn. Bhd., ( ဘရူနိုင်းနိုင်ငံ ) နှင့် IGE Pte., Ltd. (စင်္ကာပူနိုင်ငံ) | ၈၇.၂၅ % နှင့်၁၂.၇၅ % |

| | | | |
|---|---|---|---|
| (ဃ) | C-1 (အင်းတော်-ရန်နန်းဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | Pacific Hunt Energy Corp., ( ကနေဒါနိုင်ငံ ) နှင့် Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၇၅ % နှင့် ၂၅ % |
| (င) | PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ) ပဲခူးတိုင်းဒေသကြီး | Pacific Hunt Energy Corp., ( ကနေဒါနိုင်ငံ ) နှင့် Young Invest ment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၇၅ % နှင့် ၂၅ % |
| (စ) | MOGE-4 (မြင်သာဒေသ) ဧရာဝတီတိုင်းဒေသကြီး | CAOG S.a r.l.,(လူဇင်ဘတ်နိုင်ငံ)နှင့် Apex Geo Services Co., Ltd. (မြန်မာနိုင်ငံ) | ၉၅.၅ % နှင့် ၅.၅ % |
| (ဆ) | EP-4 (မရမန်ဒေသ) ပဲခူးတိုင်းဒေသကြီး | Bashneft International B.V., (နယ်သာလန်နိုင်ငံ) နှင့် Sun Apex Holdings Ltd. (British Virgin Islands) | ၉၀ % နှင့် ၁၀ % |

၃။ စီမံကိန်းအဆိုပြုလွှာတွင် စီမံကိန်းလုပ်ငန်းကို ၂၀၁၄ ခုနှစ်မှ စတင်၍ ဆောင်ရွက်မည်ဖြစ်ပြီး အဆိုပြု ရေနံ နှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေခြင်း ၊ ဖြစ်မြောက်နိုင်စွမ်း တိုင်းတာခြင်း၊ တွင်းတူးဖော်ခြင်း လုပ်ငန်းများဆောင်ရွက်မည့်ကာလမှာ ၆ နှစ်၊ ၆ လ ဖြစ်ကြောင်း၊ စီမံကိန်းတည်ဆောက်ရေးလုပ်ငန်းများ ဆောင်ရွက်ပြီးစီးပါက ထုတ်လုပ်ရေးလုပ်ငန်းများအား နှစ်(၂၀) ဆောင်ရွက်မည်ဖြစ်ကြောင်း၊ ထွက်ရှိလာသော ရေနံနှင့်သဘာဝဓာတ်ငွေ့များကို ပြည်ပသို့ တင်ပို့ရောင်းချခြင်း နှင့် မြန်မာ့ရေနံ နှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းသို့ ရောင်းချသွားမည်ဖြစ်ကြောင်း ဖော်ပြပါရှိပါသည်။ ပတ်ဝန်းကျင် ထိန်းသိမ်းရေးဆိုင်ရာ ကိစ္စရပ်များ နှင့် ပတ်သက်၍ PSC စာချုပ်၏ အခန်း(၃) အပိုဒ် (၃.၂)တွင် ပတ်ဝန်းကျင်ထိခိုက်မှု ဆန်းစစ်ခြင်း (Environmental Impact Assessment-EIA)၊ လူမှုရေးထိခိုက်မှုဆန်းစစ်ခြင်း (Social Impact Assessment-SIA) နှင့် ပတ်ဝန်းကျင် စီမံခန့်ခွဲမှုအစီအစဉ် (Environmental Management Plan-EMP) တို့ကို ရေးဆွဲ ဆောင်ရွက်သွားမည်ဖြစ်ကြောင်း၊ ထို့အပြင် မြန်မာ့ရေနံ နှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့်ပူးပေါင်း၍ Extractive Industries Transparency Initiative- EITI ကိုလည်း အကောင်အထည်ဖော် ဆောင်ရွက်သွားမည်ဖြစ်ကြောင်း ဖော်ပြထားပါသည်။

၄။ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေခြင်း၊ တူးဖော်ခြင်း နှင့် ထုတ်လုပ်ခြင်း လုပ်ငန်းများကို ဆောင်ရွက်မည်ဖြစ်သဖြင့် လမ်းဖောက်ခြင်း၊ စခန်းဆောက်ခြင်း၊ သစ်ပင်များ ခုတ်ထွင်ရှင်းလင်းဖယ်ရှားခြင်း ၊ မြေတူးဖော်ခြင်း ၊ တွင်းတူးခြင်း ၊ ယာဉ်ယန္တရားများ အသုံးပြုခြင်း ၊ ယာယီလူနေထိုင်ရန် အဆောက်အဦများနှင့် Project facilities များ တည်ဆောက်ခြင်း ၊ မိုင်းခွဲခြင်း၊ ရေနံထွက်ရှိလာပါက ၎င်းရေနံများကို ပိုက်လိုင်းသွယ်တန်း၍ ရေနံတွင်းမှ သိုလှောင်ကန်သို့ ပေးပို့ရန် ပိုက်လိုင်းနှင့် သိုလှောင်ကန်များတည်ဆောက်ခြင်းစသည့် လုပ်ငန်းများကို ဆောင်ရွက်

ရမည်ဖြစ်ပါသည်။ အဆိုပါလုပ်ငန်းများ ဆောင်ရွက်ခြင်းကြောင့် ဇီဝမျိုးစုံမျိုးကွဲများ၏နေရင်းဒေသများ ပျောက်ကွယ်နိုင်ခြင်း ၊ မျိုးသုဉ်းရန် ခြိမ်းခြောက်ခံနေရသည့် အပင် နှင့် တောရိုင်းတိရိစ္ဆာန်များအား ထိခိုက်စေနိုင်ခြင်း ၊ သစ်တောများ ပြုန်းတီးနိုင်ခြင်း ၊ လုပ်ငန်းသုံးယာဉ်၊ ယန္တရား၊ စက်ပစ္စည်းကိရိယာများမှ ထွက်ရှိမည့် အခိုးအငွေ့ နှင့် ဆူညံသံများကြောင့် လေထုညစ်ညမ်းမှုနှင့် အသံညစ်ညမ်းမှုများဖြစ်ပေါ်နိုင်ခြင်း၊ စွန့်ပစ်အရည်/အစိုင်အခဲများနှင့် ပိုက်လိုင်းနှင့် သိုလှောင်ကန်များမှ မတော်တဆ ယိုစိမ့်မှုများကြောင့် ပတ်ဝန်းကျင် မြေထု၊ ရေထုညစ်ညမ်းမှု၊ စီမံကိန်းဆောင်ရွက်မည့် နေရာတွင် အခြေချနေထိုင်သူများရှိပါက ဒေသခံလူထု၏ လူမှုစီးပွားရေးအပေါ် ထိခိုက်နိုင်မှု စသည့် ပတ်ဝန်းကျင်နှင့် လူမှုရေး ထိခိုက်မှုများ ဖြစ်ပေါ်နိုင်ပါသည်။

၅။ သို့ဖြစ်ပါ၍ ကုန်းတွင်းလုပ်ကွက်(၇)ခုတွင် ရေနံ နှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ခွင့်ပြုပါရန် အဆိုပြု တင်ပြလာခြင်း နှင့် ပတ်သက်၍ အောက်ပါအတိုင်း ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း သဘောထားမှတ်ချက်ကို ပြန်ကြားအပ်ပါသည်-

(က) ဖော်ပြပါ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်ထုတ်လုပ်မည့် နေရာများသည် ရေဝေ ရေလဲဒေသ၊ သစ်တောကြိုးဝိုင်း ၊ ကြိုးပြင်ကာကွယ်တော နှင့် သဘာဝနယ်မြေအတွင်း ကျရောက်ပါက မြေနေရာနှင့်စပ်လျဉ်း၍ သစ်တောဦးစီးဌာန၏ သဘောထားရယူ ဆောင်ရွက်ပါရန်၊

(ခ) အဆိုပြုလုပ်ငန်းကြောင့် ဖြစ်ပေါ်လာနိုင်သည့် ပတ်ဝန်းကျင် နှင့် လူမှုရေး ထိခိုက်မှုများကို ရှောင်ရှားနိုင်ရန်အတွက် ရေနံ နှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများ ဆောင်ရွက်ရာတွင် ပတ်ဝန်းကျင်ထိခိုက်မှု အနည်းဆုံးဖြစ်စေမည့် စက်ပစ္စည်း ကိရိယာများ နှင့် နည်းပညာများကို အသုံးပြုရန်၊

(ဂ) အဆိုပြုလုပ်ငန်းကြောင့် ပတ်ဝန်းကျင် နှင့် လူမှုရေး ထိခိုက်မှု မဖြစ်ပေါ်စေရေး (သို့မဟုတ်) ပတ်ဝန်းကျင်နှင့် လူမှုရေးထိခိုက်မှု အနည်းဆုံးဖြစ်စေရေးတို့အတွက် လုပ်ငန်းမစတင်မီ သက်ဆိုင်ရာ ကုမ္ပဏီများမှ လုပ်ကွက် တစ်ခုချင်းစီ အလိုက် ပတ်ဝန်းကျင် ထိခိုက်မှု နှင့် လူမှုရေးထိခိုက်မှု ဆန်းစစ်ခြင်း (Environmental and Social Impact Assessment-ESIA) ဆောင်ရွက်ပြီး အစီရင်ခံစာများ တင်ပြရန်၊

(ဃ) အထက်ပါ လေ့လာဆန်းစစ်မှု ရလဒ်များကိုအခြေခံ၍ ပတ်ဝန်းကျင်နှင့် လူမှုရေးဆိုင်ရာ ထိခိုက်မှု အနည်းဆုံး ဖြစ်စေသည့် လုပ်ငန်းဆောင်ရွက်မည့် အစီအစဉ်၊ စွန့်ပစ်ပစ္စည်း / စွန့်ပစ်အရည်များ စီမံခန့်ခွဲမှု အစီအစဉ်၊ စောင့်ကြည့်လေ့လာမည့် အစီအစဉ်၊ ပတ်ဝန်းကျင် ထိခိုက်မှုလျော့ပါးရေး ဆောင်ရွက်မည့် လုပ်ငန်းများအတွက် သုံးစွဲမည့် ရန်ပုံငွေ စသည်တို့ ပါဝင်သည့် ပတ်ဝန်းကျင် စီမံခန့်ခွဲမှု စီမံချက် (Environmental Management Plan-EMP) ရေးဆွဲတင်ပြရန်နှင့် စီမံချက်ပါအတိုင်း ဆောင်ရွက်ရန်၊

၆

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
## လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန

NPT-462
4.8.14

စာအမှတ်၊ ၁လစ/(သဘောထား)( ၉၂၉၈ )/၂၀၁၄
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ် ၊ ဩဂုတ်လ ၁ ရက်

သို့

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်ပေးပို့ခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ (၁) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ (၂၃-၇-၂၀၁၄)ရက်စွဲပါ စာအမှတ်၊ ရက-၅(စ)/၀၀၁-၀၀၇/၂၀၁၄(၂၈၃၀၁)

(၂) လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ (၁၅-၅-၂၀၁၄)ရက်စွဲပါ စာအမှတ်၊ ၁လစ(သဘောထား)(၅၇၀၅)/၂၀၁၄

၁။ စွမ်းအင်ဝန်ကြီးဌာန ၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့်ကုမ္ပဏီများသည် ကုန်းပိုင်းလုပ်ကွက်(၇)ကွက်တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေတူးဖော်ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (PSC)ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြုတင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ စီမံကိန်းများနှင့် လွတ်ကင်းမှု ရှိ/မရှိ သဘောထားမှတ်ချက်အား ပြန်ကြားပေးပါရန်ရည်ညွှန်း(၁)ပါစာဖြင့် အကြောင်းကြားခဲ့ပါသည်။

၂။ သို့ဖြစ်ပါ၍ ကုန်းတွင်းပိုင်း ရေနံလုပ်ကွက်များတွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော် ၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရာတွင် လုပ်ကွက်များအတွင်း ကျရောက်နေသော နောက်ဆက်တွဲ(က)ပါ စီမံကိန်းဧရိယာများ လုပ်ငန်းဆောင်ရွက်ရာ၌ လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနမှ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ ရည်ညွှန်း(၂)ပါစာဖြင့် ပေးပို့ထားသော လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနနှင့် စွမ်းအင်ဝန်ကြီးဌာနတို့ ညှိနှိုင်းသဘောတူချက်များအတိုင်း ဆောင်ရွက်မည်ဆိုပါက ကန့်ကွက်ရန်မရှိပါကြောင်း အကြောင်းပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး( )
(မင်းသော်၊ ရုံးအဖွဲ့မှူး)

E/2014/24-Agree

မိတ္တူကို

စွမ်းအင်ဝန်ကြီးဌာန

ရင်နှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများ ညွှန်ကြားမှုဦးစီးဌာန

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

**လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန**

စာအမှတ်၊၁လစ(သဘောထား)(၅၇၀၅)/၂၀၁၄

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ မေလ (၁၅ ) ရက်

သို့

ဥက္ကဋ္ဌ

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

အကြောင်းအရာ။ **ကုန်းပိုင်းရေနံလုပ်ကွက်များတွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန် Production Sharing Contract (PSC) ချုပ်ဆို လုပ်ကိုင်နိုင်ရေးကိစ္စ**

ရည်ညွှန်းချက်။ (၁) လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ (၄-၄-၂၀၁၄)ရက်စွဲပါစာအမှတ်၊ ၁လစ (သဘောထား)(၄၁၆၁)/၂၀၁၄

(၂) လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ (၄-၄-၂၀၁၄)ရက်စွဲပါစာအမှတ်၊ ၁လစ (သဘောထား)(၄၁၇၃)/၂၀၁၄

(၃) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ (၈-၅-၂၀၁၄)ရက်စွဲပါစာအမှတ်၊ ရက-ဖ(ခ)/န-၉၇၈/၂၀၁၄(၄၇၁၃)

(၄) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ (၈-၅-၂၀၁၄)ရက်စွဲပါစာအမှတ်၊ ရက-ဖ(ခ)/န-၉၇၉/၂၀၁၄(၄၇၁၉)

(၅) စွမ်းအင်ဝန်ကြီးဌာန၏ (၁၂-၅-၂၀၁၄)ရက်စွဲပါစာအမှတ်၊ ဝ၀၈/၈၇၇/ထ (၄၀၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းသည် ဖက်စပ်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဖြင့် ကုန်းပိုင်းရေနံလုပ်ကွက်များဖြစ်သည့် PSC-K (ရမည်းသင်းဒေသ)၊ RSF-5 (အုန်းတွဲဒေသ)၊ MOGE-3(ပီတောက်ပင်-နတ်မီးဒေသ)တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန် Production Sharing Contract (PSC) ချုပ်ဆို လုပ်ကိုင်နိုင်ရေးအတွက် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြုတင်ပြလာမှုအပေါ် လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနအား သဘောထားမှတ်ချက်တောင်းခံခဲ့သဖြင့် ယင်းရေနံလုပ်ကွက်များအတွင်း ကျရောက်နိုင်သော ဓာတ်အားလိုင်းများ၊ ဓာတ်အားခွဲရုံနှင့် ဓာတ်အားပေးစက်ရုံများ၏ အခြေအနေများကို ရည်ညွှန်းချက်(၁)၊ (၂)ပါစာများဖြင့် ပြန်ကြားခဲ့ပါသည်။

၂။ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်မှ အဆိုပါကုန်းတွင်း ရေနံလုပ်ကွက်များ ဆောင်ရွက်နိုင်ရန်အတွက် လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနနှင့် စွမ်းအင်ဝန်ကြီးဌာနတို့ ညှိနှိုင်းပြီးပြန်လည်တင်ပြ

ရန် ရည်ညွှန်းချက်(၃)၊ (၄) ပါစာများဖြင့် အကြောင်းကြားလာမှုအပေါ် စွမ်းအင်ဝန်ကြီးဌာနမှ ရည်ညွှန်းချက်(၅) ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၃။ (၁၅-၅-၂၀၁၄)ရက်နေ့တွင် လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာနနှင့် စွမ်းအင်ဝန်ကြီးဌာနတို့မှ တာဝန်ရှိသူများ တွေ့ဆုံအစည်းအဝေး ပြုလုပ်ခဲ့ရာ ကုန်းတွင်းရေနံလုပ်ကွက်များ လုပ်ကိုင်ဆောင်ရွက်မည့် PSC-K (ရမည်းသင်း ဒေသ)၊ RSF-5 (အုန်းတွဲဒေသ)၊ MOGE-3(ဝိတောက်ပင်-နတ်မီးဒေသ) များတွင် လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ လက်ရှိသွယ်တန်း တည်ရှိနေသော ဓာတ်အားလိုင်းနှင့် ဓာတ်အားခွဲရုံများ၏ ROW (Right of Way) ဧရိယာနှင့် ကင်းလွတ်မှုရှိစေရန် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ တိုင်းတာရှာဖွေရေးလုပ်ငန်းများ ဆောင်ရွက်သွားမည်ဖြစ်ကြောင်း စွမ်းအင်ဝန်ကြီးဌာနဘက်မှ သဘောတူညီခဲ့ပါသည်။

၄။ ထို့အပြင် PSC-K (ရမည်းသင်းဒေသ)အတွင်းတွင် လက်ရှိ (၅၆)မဂ္ဂါဝပ် ကင်းတားရေအားလျှပ်စစ်ဓာတ်အားပေးစက်ရုံ တည်ရှိလျက်ရှိသဖြင့် ပူးတွဲပါမြေပုံတွင် ဖော်ပြထားသည့် စက်ရုံ၏ တည်နေရာနှင့် ကင်းလွတ်သော ပြင်ပနေရာများတွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ တိုင်းတာရှာဖွေရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက်လည်း ညှိနှိုင်းသဘောတူညီမှု ရရှိခဲ့ပါသည်။

၅။ သို့ဖြစ်ပါ၍ စွမ်းအင်ဝန်ကြီးဌာနအနေဖြင့် အထက်အပိုဒ်(၃)နှင့်(၄)ပါ ညှိနှိုင်းသဘောတူညီချက်အတိုင်း ဆောင်ရွက်မည်ဆိုပါက ကန့်ကွက်ရန်မရှိပါကြောင်း ထပ်မံ၍ အကြောင်းပြန်ကြားအပ်ပါသည်။

(signature) ၁၅/၅/၁၄

ပြည်ထောင်စုဝန်ကြီး( ကိုယ်စား)

(အောင်သန်းဦး၊ ဒုတိယဝန်ကြီး)

မိတ္တူကို

စွမ်းအင်ဝန်ကြီးဌာန

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

ရုံးလက်ခံ

16/5/2014
411328
09-428706496

## "စစ်တောင်းမြစ်ဝှမ်းရှိ ခာတ်အားပေးစက်ရုံများ၏ မြေပုံညွှန်းများ"

| စဉ် | တည်နေရာ | မြောက်လတ္တီတွဒ် | အရှေ့လောင်ဂျီကျူ | Elevation | မှတ်ချက် |
|---|---|---|---|---|---|
| ၁ | ဓောင်းတူ | 17 ·45' 16.86" N | 96 ·12' 01.89" E | 169' | |
| ၂ | ပေါင်းလောင်း | 19 ·47' 09.73" N | 96 ·19' 57.33" E | 408' | |
| ၃ | ရဲနွယ် | 18 ·05' 07.21" N | 96 ·26' 58.04" E | 326' | |
| ၄ | ခပေါင်း | 18 ·53' 52.86" N | 96 ·13' 20.90" E | 291' | |
| ၅ | ရွှေကျင် | 17 ·58' 05.37" N | 96 ·55' 59.00" E | 122' | |
| ၆ | ကွန်းချောင်း | 18 ·25' 13.41" N | 96 ·23' 06.85" E | 243' | |
| ၇ | သောက်ရေခပ် (၂) | 18 ·54' 40.48" N | 96 ·36' 57.80" E | 250' | |
| ၈ | နန်ချို | 19 ·45' 09.53" N | 96 ·25' 56.63" E | 756' | |
| ၉ | ဖြူးချောင်း | 18 ·30' 29.76" N | 96 ·21' 15.42" E | 297' | |

## "PSC-H BLOCK"

| စဉ် | တည်နေရာ | Point No. | မြောက်လတ္တီတွဒ် | အရှေ့လောင်ဂျီကျူ | မှတ်ချက် |
|---|---|---|---|---|---|
| ၁ | PSC-H (TAUNGU-PYINMANA) | 1 | 20 ·10' 0" N | 95 ·56' 32" E | |
| | | 2 | 20 ·10' 0" N | 96 ·20' 0" E | |
| | | 3 | 19 ·50' 0" N | 96 ·20' 0" E | |
| | | 4 | 19 ·50' 0" N | 96 ·30' 0" E | |
| | | 5 | 19 ·5' 0" N | 96 ·30' 0" E | |
| | | 6 | 19 ·5' 0" N | 96 ·40' 0" E | |
| | | 7 | 18 ·45' 0" N | 96 ·40' 0" E | |
| | | 8 | 18 ·45' 0" N | 96 ·50' 0" E | |
| | | 9 | 18 ·20' 0" N | 96 ·50' 0" E | |
| | | 10 | 18 ·20' 0" N | 97 ·0' 0" E | |
| | | 11 | 17 ·20' 0" N | 97 ·0' 0" E | |
| | | 12 | 17 ·20' 0" N | 96 ·0' 0" E | |
| | | 13 | 18 ·0' 0" N | 95 ·56' 32" E | |

# ရေနံလုပ်ကွက်များအတွင်း ကျရောက်နေသော ဆောင်ရွက်ဆဲနှင့် ဆောင်ရွက်မည့် စီမံကိန်းများ

| စဉ် | လုပ်ကွက်အမည် | ဆောင်ရွက်ဆဲ စီမံကိန်း | ဆောင်ရွက်မည့်စီမံကိန်း |
|---|---|---|---|
| ၁။ | PSC-B2<br>(ဇီးဖြူတောင်-နန်တောဒေသ)<br>စစ်ကိုင်းတိုင်းဒေသကြီး | - | - |
| ၂။ | EP-3<br>(သဲကုန်း-ရွှေကူဒေသ)<br>ပဲခူးတိုင်းဒေသကြီး | - | - |
| ၃။ | EP-1<br>(ကျောက်ကြီး-မင်းတုန်းဒေသ)<br>မကွေးတိုင်းဒေသကြီး | - | - |
| ၄။ | PSC-C1<br>(အင်းတော်-ရနန်းဒေသ)<br>စစ်ကိုင်းတိုင်းဒေသကြီး | - | မော်လိုက်ရေအားလျှပ်စစ်စီမံကိန်း (၈၀၀ မဂ္ဂါဝပ်)<br>ခန့်မှန်းမြေပုံညွှန်း - 23° 40' 5" N<br>94° 26' 6" E |
| ၅။ | PSC-H<br>(တောင်ငူ-ပျဉ်းမနားဒေသ)<br>ပဲခူးတိုင်းဒေသကြီး | ဘောဂထရေအားလျှပ်စစ်စီမံကိန်း (၁၆၀ မဂ္ဂါဝပ်)<br>ခန့်မှန်းမြေပုံညွှန်း - 18° 19' 38" N<br>96° 56' 10" E | |
| ၆။ | MOGE-4<br>(မြင်သာဒေသ)<br>ဧရာဝတီတိုင်းဒေသကြီး | - | - |
| ၇။ | EP-4<br>(မရမန်ဒေသ)<br>ပဲခူးတိုင်းဒေသကြီး | - | - |

## ရေနံလုပ်ကွက်များအတွင်း ကျရောက်နေသော ဆောင်ရွက်ပြီး၊ ဆောင်ရွက်ဆဲနှင့် ဆောင်ရွက်မည့်စီမံကိန်းများ

| စဉ် | လုပ်ကွက်အမည် | ဆောင်ရွက်ပြီးစီမံကိန်း | ဆောင်ရွက်ဆဲစီမံကိန်း | ဆောင်ရွက်မည့်စီမံကိန်း |
|---|---|---|---|---|
| ၁။ | PSC-B2 (NANDAW-ZEBYUTAUNG) | (က)၆၆/၃၃ကေဗွီ၊ ၁၀အမ်ဗွီအေ နဘား ဓာတ်အားခွဲရုံ<br>(ခ) ၆၆ကေဗွီ ကျောက်ပုထိုး - နဘား- ရွှေကူ-ဇန်းမော် ဓာတ်အားလိုင်း | -<br>- | (က)၂၃၀ကေဗွီ ဇန်းမော်-နဘား-ရွှေဘို-အုန်းတော နှင့် ဝိုင်းမော်- နဘားဓာတ်အားလိုင်းနှင့် ဓာတ်အားခွဲရုံ စီမံကိန်း |
| ၂။ | EP-3 (THEGON-SHWEGU) | (က)၂၃၀ကေဗွီ ရွှေတောင်-မင်းလှ ဓာတ်အားလိုင်းနှင့်ဓာတ်အားခွဲရုံ<br>(ခ)၂၃၀ကေဗွီ ရွှေတောင်-ဥသျှစ်ပင် ဓာတ်အားလိုင်းနှင့်ဓာတ်အားခွဲရုံ | | (က)၂၃၀ကေဗွီ ရွှေတောင်-တောင်ငူ ဓာတ်အားလိုင်းနှင့်ဓာတ်အားခွဲရုံစီမံကိန်း |
| ၃။ | EP- 1 (KYAUKKYI - MINDON) | (က)၂၃၀ကေဗွီ ဥသျှစ်ပင်-တောင်ကုတ် ဓာတ်အားလိုင်း | | - |
| ၄။ | PSC- C1 (INDAW-YENAN) | - | - | (က)၂၃၀ကေဗွီ ဂန့်ဂေါ-ကလေး ဓာတ်အားလိုင်းနှင့်ဓာတ်အားခွဲရုံစီမံကိန်း |
| ၅။ | PSC-H (TAUNGU-PYINMANA) | (က)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ ရွှေမြို့ဓာတ်အားခွဲရုံ<br>(ခ)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ နေပြည်တော်(၁)ဓာတ်အားခွဲရုံ<br>(ဂ)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ နေပြည်တော်(၂)ဓာတ်အားခွဲရုံ<br>(ဃ)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၆၀အမ်ဗွီအေ ပျဉ်းမနားဓာတ်အားခွဲရုံ<br>(င)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ သဲဖြူဓာတ်အားခွဲရုံ<br>(စ)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ တောင်ငူဓာတ်အားခွဲရုံ | (က)၅၀၀ကေဗွီ သပြေဝ-တောင်ငူ ဓာတ်အားလိုင်း | (က)၅၀၀ကေဗွီ တောင်ငူ-ပဲခူး(ဘုရားကြီး) ဓာတ်အားလိုင်းစီမံကိန်း<br>(ခ)၅၀၀ကေဗွီ တောင်ငူနှင့်ပဲခူး(ဘုရားကြီး) ဓာတ်အားခွဲရုံ |

| စဉ် | လုပ်ကွက်အမည် | ဆောင်ရွက်ပြီးစီမံကိန်း | ဆောင်ရွက်ဆဲစီမံကိန်း | ဆောင်ရွက်မည့်စီမံကိန်း |
|---|---|---|---|---|
| | | (ဆ)၂၃၀/၃၃/၁၁ကေဗွီ၊၃၀အမ်ဗွီအေ သာယာကုန်းဓာတ်အားခွဲရုံ | | |
| | | (ဇ)၂၃၀/၃၃/၁၁ကေဗွီ၊၁၀၀အမ်ဗွီအေ ကမာနတ်ဓာတ်အားခွဲရုံ | | |
| | | (ဈ)၂၃၀ကေဗွီ သာစည်-ရွှေမြို့-ပျဉ်းမနား သဲဖြူ-တောင်ငူ-ကမာနတ်ဓာတ်အားလိုင်း | | |
| ၆။ | MOGE-4 (MYINTHA) | - | - | - |
| ၇။ | EP-4 (MAYAMAN) | (က)၂၃၀ကေဗွီ ဥသျှစ်ပင်-တောင်ကုတ် ဓာတ်အားလိုင်း | - | - |
| | | (ခ)၂၃၀ကေဗွီ ဥသျှစ်ပင်-ရွှေတောင် ဓာတ်အားလိုင်း | | |

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

**မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်**

အမှတ်(၁)၊ သစ္စာလမ်း၊ ရန်ကင်းမြို့နယ်၊ရန်ကုန်မြို့


Myanmar Investment Commission

☎ -၀၁-၆၅၇၈၅၃

-၀၁-၆၅၈

စာအမှတ်၊ရက-၅(စ)/၀၀၁-၀၀၇/၂၀၁၄(၂၈၃၁၀)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၂၃ ရက်

သို့

**ပြည်ထောင်စုဝန်ကြီးရုံး**

**လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန**

အကြောင်းအရာ။ **သဘောထားမှတ်ချက် တောင်းခံခြင်းကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ (၂၆-၆-၂၀၁၄) ရက်စွဲပါစာအမှတ်၊ဂဂ၈/၈၂/ထ (၅၄၀/၂၀၁၄)

၁။ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်တွင် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝ ဓာတ်ငွေ့ လုပ်ငန်းနှင့် အောက်ပါ ကုမ္ပဏီများသည် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ Production Sharing Contracts (PSC) ချုပ်ဆိုဆောင်ရွက်ခွင့်ပြုပါရန် စွမ်းအင်ဝန်ကြီးဌာနမှတစ်ဆင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြု တင်ပြလာပါသည်-

| စဉ် | လုပ်ကွက်အမှတ် | ကုမ္ပဏီအမည် | ထည့်ဝင်မှု အချိုး |
|---|---|---|---|
| (က) | B-2 (ဇီးဖြူတောင်-နန်တောဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ) | ၉၇% |
| | | -Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၃% |
| (ခ) | EP-3 (သဲကုန်း -ရွှေကူဒေသ) ပဲခူးတိုင်းဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ) | ၉၇% |
| | | -Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၃% |
| (ဂ) | EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ) မကွေးတိုင်းဒေသကြီး | -Brunei National Petroleum Co., Sdn. Bhd., (ဘရူနိုင်းနိုင်ငံ) | ၈၇.၂၅% |
| | | -IGE Pte., Ltd. (စင်ကာပူနိုင်ငံ) | ၁၂.၇၅% |
| (ဃ) | C-1 (အင်းတော် -ရနန်းဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | -Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | -Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |
| (င) | PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ) ပဲခူးတိုင်းဒေသကြီး | -Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | -Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |

| | | | |
|---|---|---|---|
| (စ) | MOGE-4 (မြင်သာဒေသ) ဧရာဝတီတိုင်းဒေသကြီး | -CAOG S.a r.l., (လူဇင်ဘတ်နိုင်ငံ) | ၉၄.၅% |
| | | -Apex Geo Services Co., Ltd. (မြန်မာနိုင်ငံ) | ၅.၅% |
| (ဆ) | EP-4 (မရမန်ဒေသ) ပဲခူးတိုင်းဒေသကြီး | -Bashneft International B.V., (နယ်သာလန်နိုင်ငံ) | ၉၀% |
| | | -Sun Apex Holdings Ltd. (British Virgin Islands) | ၁၀% |

၂။ နိုင်ငံခြားရင်းနှီးမြုပ်နှံမှုနည်းဥပဒေ အခန်း(၆) အပိုဒ်(၄၆)ပါ ပြဋ္ဌာန်းချက်နှင့်အညီ အဆိုပြုချက်ကို စိစစ်ရာတွင် သက်ဆိုင်ရာအဖွဲ့အစည်းများ၏ သဘောထားကို တောင်းခံရယူရန် လိုအပ်ပါသည်။

၃။ သို့ဖြစ်ပါ၍ အဆိုပြုလုပ်ငန်း ဆောင်ရွက်မည့် လုပ်ကွက်နေရာသည် လျှပ်စစ်စွမ်းအားဝန်ကြီးဌာန၏ နိုင်ငံတော်စီမံကိန်းကြီးများနှင့် လွတ်ကင်းမှု ရှိ-မရှိ သဘောထားမှတ်ချက်အား စာလက်ခံရရှိသည့်နေ့မှစ၍ ရက်သတ္တပတ်တစ်ပတ်အတွင်း ပြန်ကြားပေးပါရန် ရည်ညွှန်းစာပါ အဆိုပြုလွှာ ခုနှစ်စုံအား ပူးတွဲ ပေးပို့ မေတ္တာရပ်ခံအပ်ပါသည်။

၄။ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်နှင့်စပ်လျဉ်း၍ ဒေါ်ခင်ခင်အေး (ညွှန်ကြားရေးမှူး၊ စွမ်းအင်စီမံရေးဦးစီးဌာန) တယ်လီဖုန်း ၀၆၇-၄၁၁၃၂၀၊ ၀၉-၄၂၀၇၀၇၇၄၀ သို့ ဆက်သွယ်ဆောင်ရွက်နိုင်ပါကြောင်း အသိပေးအပ်ပါသည်။

ဥက္ကဋ္ဌ(ကိုယ်စား)
(အောင်နိုင်ဦး၊ အတွင်းရေးမှူး)

မိတ္တူကို

ပြည်ထောင်စုဝန်ကြီးရုံး
စွမ်းအင်ဝန်ကြီးဌာန

ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန

ဦးဆောင်ညွှန်ကြားရေးမှူး
မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း

Machinery and Solutions Co., Ltd.

Young Investment Group Co., Ltd.

Apex Geo Services Co., Ltd.

ရုံးလက်ခံ/ မျှောစာတွဲ

၄

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

**မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်**

အမှတ်(၁)၊ သစ္စာလမ်း၊ ရန်ကင်းမြို့နယ်၊ရန်ကုန်မြို့

စာအမှတ်၊ရက-၅(စ)/၀၀၁-၀၀၇/၂၀၁၄(၂၈၃-၉)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၂၃ ရက်

သို့

**ပြည်ထောင်စုဝန်ကြီးရုံး**
**ပတ်ဝန်းကျင်ထိန်းသိမ်းရေး နှင့် သစ်တောရေးရာဝန်ကြီးဌာန**

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်တောင်းခံခြင်းကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ (၂၆-၆-၂၀၁၄) ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၈၈၂/ထ (၅၄၀/၂၀၁၄)

၁။ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်တွင် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝ ဓာတ်ငွေ့လုပ်ငန်းနှင့် အောက်ပါကုမ္ပဏီများသည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ Production Sharing Contracts (PSC) ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန် စွမ်းအင်ဝန်ကြီးဌာနမှတစ်ဆင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်သို့ အဆိုပြု တင်ပြလာပါသည်-

| စဉ် | လုပ်ကွက်အမှတ် | ကုမ္ပဏီအမည် | ထည့်ဝင်မှုအချိုး |
|---|---|---|---|
| (က) | B-2 (ဖီးဖြူတောင်-နန်တောဒေသ) စစ်ကိုင်းတိုင်း ဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ) | ၉၇% |
| | | -Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၃% |
| (ခ) | EP-3 (သဲကုန်း -ရွှေကူဒေသ) ပဲခူးတိုင်း ဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ) | ၉၇% |
| | | -Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၃% |
| (ဂ) | EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ) မကွေးတိုင်းဒေသကြီး | -Brunei National Petroleum Co., Sdn. Bhd., (ဘရူနိုင်းနိုင်ငံ) | ၈၇.၂၅% |
| | | -IGE Pte., Ltd. (စင်ကာပူနိုင်ငံ) | ၁၂.၇၅% |
| (ဃ) | C-1 (အင်းတော် -ရနန်း ဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | -Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | -Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |

| | | | |
|---|---|---|---|
| ( င) | PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ) ပဲခူးတိုင်းဒေသကြီး | - Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | - Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |
| (စ) | MOGE-4 (မြင်သာဒေသ) ဧရာဝတီတိုင်းဒေသကြီး | - CAOG S.a r.l., (လူဇင်ဘတ်နိုင်ငံ) | ၉၄.၅% |
| | | - Apex Geo Services Co., Ltd. (မြန်မာနိုင်ငံ) | ၅.၅% |
| (ဆ) | EP-4 (မရမန်ဒေသ) ပဲခူးတိုင်းဒေသကြီး | - Bashneft International B.V., (နယ်သာလန်နိုင်ငံ) | ၉၀% |
| | | - Sun Apex Holdings Ltd. (British Virgin Islands) | ၁၀% |

၂။ နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု နည်းဥပဒေ အခန်း(၆) အပိုဒ်(၄၆)ပါ ပြဋ္ဌာန်းချက် နှင့်အညီ အဆိုပြုချက်ကို စိစစ်ရာတွင် သက်ဆိုင်ရာ အဖွဲ့အစည်းများ၏ သဘောထားကို တောင်းခံရယူရန် လိုအပ်ပါသည်။

၃။ သို့ဖြစ်ပါ၍ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်၏အဆိုပြုလုပ်ငန်းများဆောင်ရွက်ခွင့်ကိစ္စနှင့် စပ်လျဉ်း၍ အောက်ဖော်ပြပါ အချက်အလက်များအပေါ် သဘောထားမှတ်ချက်အား ရက်သတ္တပတ် တစ်ပတ်အတွင်း ပြန်ကြားပေးနိုင်ပါရန် ဒေါ်ခင်ခင်အေး (ညွှန်ကြားရေးမှူး၊ စွမ်းအင်စီမံရေးဦးစီးဌာန) တယ်လီဖုန်း ၀၆၇-၄၁၁၃၂၀, ၀၉-၄၂၀၇၀၇၇၄၀ သို့ ဆက်သွယ်ဆောင်ရွက်နိုင်ပါကြောင်း အသိပေး အပ်ပါသည်။ ရည်ညွှန်းစာပါ အဆိုပြုလွှာ (ခုနှစ်)စုံအား ပူးတွဲပေးပို့အပ်ပါသည်-

(က) အဆိုပြုကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်ကြောင့် ဖြစ်ပေါ်လာနိုင်သည့် ပတ်ဝန်းကျင်နှင့် လူမှုရေးထိခိုက်မှုများ ရှိ-မရှိ။

(ခ) စီမံကိန်းစတင်သည်မှ ပြီးစီးချိန်အထိ ပတ်ဝန်းကျင်နှင့် သဟဇာတဖြစ်စေမည့် အစီအမံ နှင့် ဆောင်ရွက်ထားရှိမှုများလို- မလို။

(ဂ) ပြဋ္ဌာန်းထားသော ပတ်ဝန်းကျင်ထိန်းသိမ်းရေး ဥပဒေ၊ နည်းဥပဒေ၊ လုပ်ထုံးလုပ်နည်း များ နှင့် ကိုက်ညီမှု ရှိ-မရှိ။

ဥက္ကဋ္ဌ(ကိုယ်စား)
(အောင်နိုင်ဦး၊ အတွင်းရေးမှူး)

မိတ္တူကို

ပြည်ထောင်စုဝန်ကြီးရုံး
စွမ်းအင်ဝန်ကြီးဌာန

ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန

ဦးဆောင်ညွှန်ကြားရေးမှူး
မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း

Machinery and Solutions Co., Ltd.

Young Investment Group Co., Ltd.

Apex Geo Services Co., Ltd.

ရုံးလက်ခံ/ မျှောစာတွဲ

၂

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
**မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်**
အမှတ်(၁)သစ္စာလမ်း၊ ရန်ကင်းမြို့နယ်၊ ရန်ကုန်မြို့

ဖုန်း-၀၁-၆၅၇၈၉၂ စာအမှတ်၊ရကက-၅(စ)/၀၀၂၊၀၀၅၊၀၀၇၊၀၀၈/၂၀၁၄(၂၈၃-၁)
ဖက်(စ)-၀၁-၆၅၇၈၂၅ ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၂၄ ရက်

သို့

**ပဲခူးတိုင်းဒေသကြီးအစိုးရအဖွဲ့ရုံး**

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်တောင်းခံခြင်းကိစ္စ**

ရည်ညွှန်းချက်။ စွမ်းအင်ဝန်ကြီးဌာန၏ (၂၆-၆-၂၀၁၄) ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ ၈၉၂/ ထ (၅၄၀/၂၀၁၄)နှင့် (၈-၇-၂၀၁၄) ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၈၇၈/ထ (၅၇၁/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းသည် အိန္ဒိယနိုင်ငံ ONGC Videsh Limited မှ ၉၇% နှင့် မြန်မာနိုင်ငံ Machinery and Solutions Co., Ltd. မှ ၃ % ထည့်ဝင်၍ ကုန်းပိုင်းလုပ်ကွက် EP-3(သဲကုန်း-ရွှေကူဒေသ) တွင်လည်းကောင်း၊ ကနေဒါနိုင်ငံ Pacific Hunt Energy Corp., မှ ၇၅% နှင့်မြန်မာနိုင်ငံ Young Investment Co., Ltd. မှ ၂၅% ထည့်ဝင်၍ ကုန်းပိုင်း လုပ်ကွက် PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ) တွင်လည်းကောင်း၊ နယ်သာလန်နိုင်ငံ Bashneft International B.V., မှ ၉၀% နှင့် British Virgin Islands နိုင်ငံ Sun Apex Holdings Ltd. မှ ၁၀% ထည့်ဝင်၍ ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ) တွင်လည်းကောင်း ရေနံနှင့် သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contracts - PSC) နှင့် British Virgin Islands နိုင်ငံ MPRL E & P Pte., Ltd. မှ ၈၀% နှင့် မြန်မာနိုင်ငံ Myanmar Petroleum Exploration & Production Co., Ltd. မှ ၂၀% ထည့်ဝင်၍ ကုန်းပိုင်းလုပ်ကွက် IOR-4 (ပြည်ဒေသ) တွင် ရေနံနှင့် သဘာဝဓါတ်ငွေ့ အထွက်တိုးရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ရေနံနှင့်သဘာဝဓာတ်ငွေ့အထွက်တိုးရေးစာချုပ် (Improved Petroleum Recovery Contracts - IPR) များချုပ်ဆိုပြီး နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေအရ ဆောင်ရွက်ခွင့်ပြုပါရန် ရည်ညွှန်းချက်ပါစာများဖြင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ တင်ပြလာပါသည်။

၂။ နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု နည်းဥပဒေအခန်း(၆) အပိုဒ်(၄၃)ပါ ပြဋ္ဌာန်းချက် နှင့်အညီ အဆိုပြုချက်ကိုစိစစ်ရာတွင် နေပြည်တော်ကောင်စီ သို့မဟုတ် တိုင်းဒေသကြီး သို့မဟုတ် ပြည်နယ် အစိုးရအဖွဲ့၏ သဘောထားကိုတောင်းခံရယူရန် လိုအပ်ပါသည်။

၃။ ရင်းနှီးမြှုပ်နှံမှုလုပ်ငန်းသစ် ဆောင်ရွက်ခွင့်အတွက် သက်ဆိုင်ရာ တိုင်းဒေသကြီးနှင့် ပြည်နယ် အစိုးရအဖွဲ့မှ ထောက်ခံချက် ပေးရာတွင် ဝန်ကြီးချုပ် ကိုယ်တိုင် စိစစ် လက်မှတ်ရေးထိုးပြီး

ထောက်ခံပေးပါရန်နှင့် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုနည်းဥပဒေ အပိုဒ်(၄၄)နှင့်အညီ **ရက်သတ္တပတ် တစ်ပတ်အတွင်း** ပြန်ကြားပေးနိုင်ပါရန် အဆိုပြုလွှာ(လေး)စုံအား ပူးတွဲပေးပို့လျက် ညှိနှိုင်းမေတ္တာရပ်ခံအပ်ပါသည်-

(က) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်နေရာသည် နောင်ပြုလုပ်မည့်(သို့မဟုတ်) လက်ရှိမြို့ပြစီမံကိန်းကို ထိခိုက်ခြင်းရှိ- မရှိ။

(ခ) မြို့နယ်ဒေသ အလုပ်အကိုင်အခွင့်အလမ်းနှင့် ဒေသစီးပွားရေး ဖွံ့ဖြိုးတိုးတက်မှုအတွက် အထောက်အကူဖြစ်- မဖြစ်။

(ဂ) ဖော်ပြပါ မြေနေရာအား အဆိုပြုလုပ်ငန်း ဆောင်ရွက်ခြင်းအပေါ် ဒေသခံများက လူမှုရေး၊ စီးပွားရေး၊ သဘာဝပတ်ဝန်းကျင် ထိန်းသိမ်းမှုတို့အရလက်ခံနိုင်ခြင်းရှိ- မရှိ။

(ဃ) တိုင်းဒေသကြီးအစိုးရအဖွဲ့၏ အကြံပြုချက်။

၄။ ကုန်းပိုင်းလုပ်ကွက် EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ကုန်းပိုင်းလုပ်ကွက်PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် EP-4(မရမန်ဒေသ) နှင့် ကုန်းပိုင်းလုပ်ကွက် IOR-4(ပြည်ဒေသ) တို့နှင့်စပ်လျဉ်း၍ ဒေါ်ခင်ခင်အေး (ညွှန်ကြားရေးမှူး၊ စွမ်းအင်စီမံရေးဦးစီးဌာန) တယ်လီဖုန်း ၀၆၇-၄၁၁၃၂၁၀၊ ၀၉-၄၂၀၇၀၇၇၄၀ သို့ ဆက်သွယ် ဆောင်ရွက်နိုင်ပါကြောင်းအသိပေးအပ်ပါသည်။

ဥက္ကဋ္ဌ (ကိုယ်စား)
(အောင်နိုင်ဦး၊ အတွင်းရေးမှူး)

မိတ္တူကို

ပြည်ထောင်စုဝန်ကြီးရုံး
စွမ်းအင်ဝန်ကြီးဌာန

ညွှန်ကြားရေးမှူးချုပ်
မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း

ညွှန်ကြားရေးမှူးချုပ်
စွမ်းအင်စီမံရေးဦးစီးဌာန

Machinery and Solutions Co., Ltd.

Young Investment Co., Ltd.

Myanmar Petroleum Exploration& Production Co., Ltd.

ရုံးလက်ခံ/ မျှောစာတွဲ

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
# မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

စာအမှတ်၊ရက-၅(စ)/၀၀၁-၀၀၇/၂၀၁၄( ၁၀၁ )
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ် ဇူလိုင်လ ၁၈ ရက်

## မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ တင်ပြသည့်အမှာစာ

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-3 (သဲကုန်း -ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော် -ရနန်း ဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ) နှင့် EP-4 (မရမန်ဒေသ) တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ် (Production Sharing Contracts (PSC) အရ ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ရန် အဆိုပြု တင်ပြလာခြင်းကိစ္စ**

၁။ ကုန်းပိုင်းလုပ်ကွက် (၇) ကွက်တွင် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝ ဓာတ်ငွေ့လုပ်ငန်းနှင့် အောက်ပါကုမ္ပဏီများသည် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ် Production Sharing Contracts (PSC) ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန် စွမ်းအင်ဝန်ကြီးဌာနမှ တစ်ဆင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်သို့ အဆိုပြုတင်ပြလာပါသည်။

| စဉ် | လုပ်ကွက်အမှတ် | ကုမ္ပဏီအမည် | ထည့်ဝင်မှုအချိုး |
|---|---|---|---|
| (က) | B-2 (ဇီးဖြူတောင်-နန်တောဒေသ) စစ်ကိုင်းတိုင်း ဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ)<br>-Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၉၇%<br>၃% |
| (ခ) | EP-3 (သဲကုန်း -ရွှေကူဒေသ) ပဲခူးတိုင်း ဒေသကြီး | -ONGC Videsh Limited (အိန္ဒိယနိုင်ငံ)<br>-Machinery and Solutions Co., Ltd. (မြန်မာနိုင်ငံ) | ၉၇%<br>၃% |
| (ဂ) | EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ) မကွေးတိုင်းဒေသကြီး | -Brunei National Petroleum Co., Sdn. Bhd., (ဘရူနိုင်းနိုင်ငံ)<br>-IGE Pte., Ltd. (မြန်မာနိုင်ငံ) | ၈၇.၂၅%<br>၁၂.၇၅% |

| | | | |
|---|---|---|---|
| (ဃ) | C-1 (အင်းတော် - ရန်နန်း ဒေသ) စစ်ကိုင်းတိုင်းဒေသကြီး | -Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | -Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |
| (င) | PSC-H (တောင်ငူ- ပျဉ်းမနားဒေသ) ပဲခူးတိုင်းဒေသကြီး | -Pacific Hunt Energy Corp., (ကနေဒါနိုင်ငံ) | ၇၅% |
| | | -Young Investment Group Co., Ltd. (မြန်မာနိုင်ငံ) | ၂၅% |
| (စ) | MOGE-4 (မြင်သာဒေသ) ဧရာဝတီတိုင်းဒေသကြီး | -CAOG S.a r.l., (လူဇင်ဘတ်နိုင်ငံ) | ၉၄.၅% |
| | | -Apex Geo Services Co., Ltd. (မြန်မာနိုင်ငံ) | ၅.၅% |
| (ဆ) | EP-4 (မရမန်ဒေသ) ပဲခူးတိုင်းဒေသကြီး | -Bashneft International B.V., (နယ်သာလန်နိုင်ငံ) | ၉၀% |
| | | -Sun Apex Holdings Ltd. (မြန်မာနိုင်ငံ) | ၁၀% |

၂။ ကုန်းပိုင်းလုပ်ကွက် (၇)ကွက် ရင်းနှီးမြှုပ်နှံမှုပမာဏများမှာ အောက်ပါအတိုင်းဖြစ်ပါသည်-

| **စဉ်** | **လုပ်ကွက်အမှတ်** | **ရင်းနှီးမြှုပ်နှံမှုပမာဏ အမေရိကန်ဒေါ်လာ (သန်း)** |
|---|---|---|
| (က) | B-2 (ဇီးဖြူတောင်-နန်တောဒေသ) | ၄၉.၅၀ |
| (ခ) | EP-3(သဲကုန်း -ရွှေကူဒေသ) | ၃၂.၅၅ |
| (ဂ) | EP1(ကျောက်ကြီး-မင်းတုန်းဒေသ) | ၂၇.၇၄ |
| (ဃ) | C-1(အင်းတော် -ရန်နန်း ဒေသ) | ၆၅.၀၅ |
| (င) | PSC-H(တောင်ငူ-ပျဉ်းမနားဒေသ) | ၈၇.၆၉ |
| (စ) | MOGE-4 (မြင်သာဒေသ) | ၄၀.၀၀ |
| (ဆ) | EP-4 (မရမန်ဒေသ) | ၃၈.၂၅၅ |

၃။ ကုန်းပိုင်းလုပ်ကွက် ၇ ခုလုံးသည် အစုရှယ်ယာပါဝင်သည့် ကုမ္ပဏီများနှင့် Memorandum of Understanding ကို EP-3 နှင့် B-2 အတွက် ၂၀၁၃ခုနှစ် ဇူလိုင်လ ၃ရက်နေ့တွင် လည်းကောင်း၊ C-1 နှင့် PSC-H MOGE-3 အတွက် ၂၀၁၃ခုနှစ် ဇန်နဝါရီလ ၃၀ရက်နေ့တွင် လည်းကောင်း၊ EP-1 အတွက် ၂၀၁၃ခုနှစ် ဩဂုတ်လ ၂၀ရက်နေ့တွင် လည်းကောင်း၊ EP-4 အတွက် ၂၀၁၃ခုနှစ် ဩဂုတ်လ ၂၁ ရက်နေ့တွင် လည်းကောင်း၊ Heads of Agreement ကို MOGE-4 အတွက် ၂၀၁၃ခုနှစ် ဩဂုတ်လ ၁၉ ရက်နေ့တွင် လည်းကောင်း လက်မှတ်ရေးထိုး ချုပ်ဆိုပြီးဖြစ်ကြောင်း တင်ပြထားပါသည်။

၄။ အဆိုပြုချက်များနှင့်အတူ ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၏သဘောထားမှတ်ချက်၊ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်၊ ဘဏ္ဍာရေးဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်၊ အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက် နှင့် မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်များ၊ ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၏ သဘောထားမှတ်ချက်နှင့်အညီ ပြင်ဆင်ထားသည့် Production Sharing Contracts (PSC) စာချုပ်(မူကြမ်း)၊ လုပ်ငန်းတည်နေရာပြမြေပုံ၊ စာရင်းစစ် အစီရင်ခံစာများကို တင်ပြထားပါသည်။

၅။ ရေနံလုပ်ငန်းသုံး ယာဉ်ယန္တရားများ၊ စက်ပစ္စည်းကိရိယာများစသည်ဖြင့် လိုအပ်သောပစ္စည်းများ၏ ခန့်မှန်းစာရင်းကို နှစ်စဉ် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းသို့ Work Program တင်ပြသည့် အချိန်တိုင်းတွင် တင်ပြရန် ယခုချုပ်ဆိုမည့် စာချုပ်(မူကြမ်း)တွင် ညှိနှိုင်းထည့်သွင်းထားပြီး ဖြစ်ပါသည်။

၆။ ရေနံလုပ်ငန်းအတွက်လိုအပ်သည့် ပစ္စည်းနှင့် ဝန်ဆောင်မှုလုပ်ငန်းများ ဈေးနှုန်းနှင့် အရည်အသွေးတူညီပါက မြန်မာနိုင်ငံအတွင်းမှ ထုတ်လုပ်ရရှိသော ပစ္စည်းနှင့် ဝန်ဆောင်မှုလုပ်ငန်းများ၊ မြန်မာတိုင်းရင်းသားများမှ တင်သွင်းဆောင်ရွက်ပေးသော ပစ္စည်းနှင့်ဝန်ဆောင်မှုလုပ်ငန်းများအား မဖြစ်မနေ ဦးစားပေးရမည်ဖြစ်ကြောင်းနှင့် ကန်ထရိုက်တာမှ နှစ်စဉ်ဆောင်ရွက်မည့် Budget ၏ ၂၅% ကို မြန်မာနိုင်ငံတွင်းမှ ထုတ်လုပ်ရရှိသော ပစ္စည်းနှင့် ဝန်ဆောင်မှုလုပ်ငန်းများ၊ မြန်မာတိုင်းရင်းသားများမှ တင်သွင်းဆောင်ရွက်ပေးသော ပစ္စည်းနှင့်ဝန်ဆောင်မှုလုပ်ငန်းများအား မဖြစ်မနေ ဦးစားပေးရမည်ဖြစ်ကြောင်းကို စာချုပ်မူကြမ်းတွင် ထည့်သွင်းထားပါသည်။

၇။ ကုန်းပိုင်းလုပ်ကွက် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် C-1 (အင်းတော် - ရနန်းဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် EP-3 (သဲကုန်း -ရွှေကူဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် MOGE-4 (မြင်သာဒေသ)နှင့် ကုန်းပိုင်းလုပ်ကွက် PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့ လုပ်ငန်းနှင့် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ် Production Sharing Contracts (PSC)ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန်ကိစ္စနှင့် စပ်လျဉ်း၍ စီးပွားရေးရာကော်မတီ၏ ၂၀၁၄ ခုနှစ် မေလ ၁၉ ရက်နေ့တွင် ကျင်းပသော (၁၆/၂၀၁၄) အစည်းအဝေးနှင့် ပြည်ထောင်စုအစိုးရအဖွဲ့၏ ၂၀၁၄ ခုနှစ် ဇွန်လ ၄ ရက်နေ့တွင် ကျင်းပသော (၁၁/၂၀၁၄) အစည်းအဝေးတွင် တင်ပြခဲ့ပြီး အစည်းအဝေးဆုံးဖြတ်ချက်များကို ပူးတွဲတင်ပြထားပါသည်။

၈။ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ် Production Sharing Contract s(PSC)၊ အပိုဒ်(၃)၊ အပိုဒ်ခွဲ (၃-၂)တွင် သဘာဝပတ်ဝန်းကျင်ထိခိုက်မှု လေ့လာဆန်းစစ်ချက်(EIA)၊ လူမှုရေးထိခိုက်မှု လေ့လာ ဆန်းစစ်ချက်(SIA)နှင့် သဘာဝပတ်ဝန်းကျင် စီမံခန့်ခွဲမှု အစီအစဉ်(EMP) ဆောင်ရွက်ရန်

ကော်မရှင် ခွင့်ပြုမိန့်ရပြီး ၆ လမှ အချိန်ကာလတစ်ခုအထိကို ပြင်ဆင်ရေးကာလဟု သတ်မှတ်ပေးရန် ဖော်ပြထားပါသည်။

**ဆုံးဖြတ်ရန်အချက်**

၉။ သို့ဖြစ်ပါ၍ မကွေးတိုင်းဒေသကြီး ကုန်းပိုင်းလုပ်ကွက် စစ်ကိုင်းတိုင်းဒေသကြီး ကုန်းပိုင်းလုပ်ကွက် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ ပဲခူးတိုင်းဒေသကြီး ကုန်းပိုင်းလုပ်ကွက် EP-3 (သဲကုန်း - ရွှေကူဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် C-1 (အင်းတော်-ရနန်းဒေသ)၊ ကုန်းပိုင်းလုပ်ကွက် PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ ဧရာဝတီတိုင်းဒေသကြီး၊ ကုန်းပိုင်းလုပ်ကွက် MOGE-4 (မြင်သာဒေသ) နှင့် ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ) တို့တွင် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့ လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ (၅)ခုတို့မှ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် Production Sharing Contracts (PSC)စာချုပ်များ ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရေးကိစ္စအပေါ် တင်ပြလမ်းညွှန်မှု ခံယူအပ်ပါသည်။

ဥက္ကဋ္ဌ(ကိုယ်စား)
(အောင်နိုင်ဦး၊ အတွင်းရေးမှူး)

မိတ္တူကို
ရုံးလက်ခံ/မျှောစာတွဲ

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
# စွမ်းအင်ဝန်ကြီးဌာန

စာအမှတ်၊ ၀၀၈/ ၈၅၂/ ထ(၅၄၆/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ခုနှစ်၊ ဇွန်လ ၂၆ ရက်

## မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့တင်ပြသည့်အမှာစာ

အကြောင်းအရာ။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)၊ EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ် (Production Sharing Contract-PSC)အရ ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ရန် အဆိုပြုတင်ပြခြင်းကိစ္စ

၁။ စွမ်းအင်ဝန်ကြီးဌာနမှ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အောက်ဖော်ပြပါဇယားရှိ ကုမ္ပဏီ ၅ခု တို့သည် ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)၊ EP-4 (မရမန်ဒေသ)တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် Production Sharing Contracts (PSC)စာချုပ်များ ချုပ်ဆိုလုပ်ကိုင်ရန် စီစဉ်ဆောင်ရွက်လျှက်ရှိပါသည်-

| စဉ် | PSC လုပ်ကွက်/ ဒေသ | ပြည်နယ်/တိုင်းဒေသကြီး | စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ |
|---|---|---|---|
| ၁ | B-2 (ဇီးဖြူတောင်-နန်တောဒေသ) | စစ်ကိုင်းတိုင်းဒေသကြီး | ONGC Videsh Limited, India |
| ၂ | EP-3 (သဲကုန်း-ရွှေကူဒေသ) | ပဲခူးတိုင်းဒေသကြီး | ONGC Videsh Limited, India |
| ၃ | EP-1(ကျောက်ကြီး-မင်းတုန်းဒေသ) | မကွေးတိုင်းဒေသကြီး | Brunei National Petroleum Co., Sdn. Bhd., Brunei |
| ၄ | C-1 (အင်းတော်-ရနန်းဒေသ) | စစ်ကိုင်းတိုင်းဒေသကြီး | Pacific Hunt Energy Corp., Canada |
| ၅ | H (တောင်ငူ-ပျဉ်းမနားဒေသ) | ပဲခူးတိုင်းဒေသကြီး | Pacific Hunt Energy Corp., Canada |
| ၆ | MOGE-4 ( မြင်သာဒေသ) | ဧရာဝတီတိုင်းဒေသကြီး | CAOG S.a r.l., Luxembourg |
| ၇ | EP-4 (မရမန်ဒေသ) | ပဲခူးတိုင်းဒေသကြီး | Bashneft International B.V., Netherlands |

၂။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ခု တို့သည် ကုန်းပိုင်းလုပ်ကွက် ၇ကွက်တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် Production Sharing Contracts (PSC) စာချုပ်များချုပ်ဆိုရန်အတွက် အဓိကအချက်အလက်များကို ပူးတွဲဇယား ဖြင့်လည်းကောင်း၊ အသေးစိတ်အချက်အလက်များကို ပူးတွဲ(၁)၊ ပူးတွဲ(၂)၊ ပူးတွဲ(၃)၊ ပူးတွဲ(၄)၊ ပူးတွဲ(၅)၊ ပူးတွဲ(၆)၊ ပူးတွဲ(၇) များဖြင့်လည်းကောင်း တင်ပြအပ်ပါသည် -

(က) အိန္ဒိယနိုင်ငံမှ ONGC Videsh Limited သည် ကုန်းပိုင်းလုပ်ကွက် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Machinery and Solutions Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၁)

(ခ) အိန္ဒိယနိုင်ငံမှ ONGC Videsh Limited သည် ကုန်းပိုင်းလုပ်ကွက် EP-3 (သဲကုန်း-ရွှေကူဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Machinery and Solutions Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၂)

(ဂ) ဘရူနိုင်းနိုင်ငံမှ Brunei National Petroleum Co., Sdn. Bhd. သည် ကုန်းပိုင်းလုပ်ကွက် EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည် ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ IGE Pte., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၃)

(ဃ) ကနေဒါနိုင်ငံမှ Pacific Hunt Energy Corporation သည် ကုန်းပိုင်းလုပ်ကွက် C-1 (အင်းတော်-ရနန်းဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Young Investment Group Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၄)

(င) ကနေဒါနိုင်ငံမှ Pacific Hunt Energy Corporation သည် ကုန်းပိုင်း လုပ်ကွက် PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Young Investment Group Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၅)

(စ) လူဇင်ဘတ်နိုင်ငံမှ CAOG S.a r.l. သည် ကုန်းပိုင်းလုပ်ကွက် MOGE-4 (မြင်းသာဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Apex Geo Services Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-ဖ)

(ဆ) နယ်သာလန်နိုင်ငံမှ Bashneft International B.V. သည် ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ)၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများတွင် Operator အဖြစ် လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Sun Apex Holdings Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-ဂ)

(ဇ) အထက်ဖော်ပြပါ ကုမ္ပဏီများ၏ အစုရှယ်ယာများပါဝင်သည့် Memorandum of Understanding/ Heads of Agreement များကို ပူးတွဲဖော်ပြထားပါသည်။ နောက်ဆက်တွဲ (က)

(ဈ) မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကုန်းပိုင်းလုပ်ကွက် ၇ ကွက်တွင် တင်ဒါအောင်မြင်ခဲ့သည့် နိုင်ငံခြားကုမ္ပဏီ ၅ခုတို့ချုပ်ဆိုမည့် PSC စာချုပ်ပါ Terms and Conditions အသေးစိတ်အချက်အလက်များကို နောက်ဆက်တွဲ(ခ) အဖြစ်လည်းကောင်း၊ လုပ်ကွက်တည်နေရာပြမြေပုံများကို နောက်ဆက်တွဲ(ဂ) အဖြစ်လည်းကောင်း၊ ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်များကို နောက်ဆက်တွဲ(ဃ) အဖြစ်လည်းကောင်း တင်ပြအပ်ပါသည်။

(ည) ကုန်းပိုင်းလုပ်ကွက် ၁၆ ကွက်တွင် နိုင်ငံခြားကုမ္ပဏီ ၁၀ခုမှ တင်ဒါအောင်မြင်ခဲ့ကြောင်း အစီရင်ခံတင်ပြခဲ့ရာ သမ္မတဦးစီးရုံးမှ နိုင်ငံတော်သမ္မတက ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားခဲ့ပါသည်။ နောက်ဆက်တွဲ(င)

(ဋ) ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contract- PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် ကိစ္စနှင့်စပ်လျဉ်း၍ ၂၉-၄-၂၀၁၄ရက်နေ့တွင်ကျင်းပပြုလုပ်သည့် စွမ်းအင်ဝန်ကြီးဌာန၊ အမှုဆောင်ကော်မတီ အစည်းအဝေးအမှတ်စဉ် (၅/၂၀၁၄)မှစိစစ်ပြီး ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီ၊ ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးနှင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်တို့သို့ ဆက်လက်တင်ပြရန် အတည်ပြုခဲ့ပါသည်။

၃။ PSC စာချုပ်လက်မှတ်ရေးထိုးပြီးနောက် Environmental Impact Assessment (EIA)/ Social Impact Assessment(SIA)/Environmental Management Plan(EMP) လေ့လာစမ်းစစ်ခြင်းလုပ်ငန်းများကို စာချုပ်ချုပ်ဆိုပြီး ၆ လအတွင်း ဆောင်ရွက်ပြီး၊ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု

ကော်မရှင်သို့ တင်ပြအတည်ပြုချက်ရယူပြီးမှသာ လုပ်ငန်းများစတင်ဆောင်ရွက်ရန် ဖော်ပြပါရှိပါသည်။ PSC စာချုပ်မူကြမ်းအား ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၊ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၊ ဘဏ္ဍာရေးဝန်ကြီးဌာန၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာနနှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် ဗဟိုဘဏ်တို့၏ သဘောထားမှတ်ချက်တို့ကို ရယူပြင်ဆင်ထားပြီးဖြစ်ပါသည်။ နောက်ဆက်တွဲ(စ)၊ နောက်ဆက်တွဲ(ဆ)၊ နောက်ဆက်တွဲ(ဇ)၊ နောက်ဆက်တွဲ(ဈ)၊ နောက်ဆက်တွဲ(ည)၊

၄။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီ၏ ၁၉-၅-၂၀၁၄ရက်နေ့တွင် ကျင်းပပြုလုပ်သော (၁၆/၂၀၁၄)အစည်းအဝေးမှ "တင်ဒါစည်းကမ်းချက်များနှင့်အညီ ဝန်ကြီးဌာနမှဆောင်ရွက်ရန်၊ နိုင်ငံတော်သမ္မတကြီးထံတင်ပြပြီးက ပြည်ထောင်စုအစိုးရအစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်"ဟုမိန့်မှတ်ချက်ပြုခဲ့ပြီး၊ နိုင်ငံတော်သမ္မတရုံးမှလည်း "လုပ်ထုံးလုပ်နည်းနှင့်အညီ ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်သွားရန်"ဟု အကြောင်းကြားခဲ့ပါသည်။ နောက်ဆက်တွဲ(ဋ)၊ နောက်ဆက်တွဲ(ဌ)

၅။ ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေး၏ ၄-၆-၂၀၁၄ရက်နေ့တွင် ကျင်းပပြုလုပ်သော (၁၁/၂၀၁၄)အစည်းအဝေးမှလည်း သဘောတူခွင့်ပြုခဲ့ပြီးဖြစ်ပါသည်။ နောက်ဆက်တွဲ(ဍ)

၆။ သို့ဖြစ်ပါ၍၊ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ခု တို့သည် ကုန်းပိုင်းလုပ်ကွက် ၇ကွက်ဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောအဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)၊ EP-4 (မရမန်ဒေသ)တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်အရ ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ရန် အဆိုပြုတင်ပြအပ်ပါသည်။

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ဇေယျာအောင်
ပြည်ထောင်စုဝန်ကြီး

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

# စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ခုတို့မှ လုပ်ကွက် ၇ကွက်တွင် PSC စာချုပ် ချုပ်ဆိုနိုင်ရေးနှင့်စပ်လျဉ်းသည့် အချက်အလက်များ

| စဉ် | PSC လုပ်ကွက်/ ဒေသ | ပြည်နယ်/ တိုင်းဒေသကြီး | စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ (Operator) | မြန်မာကုမ္ပဏီ (Local Partner) | Signature Bonus (MMUS$) | Expenditure (MMUS$) | ဌာန ၅ခု၏ သဘောထား မှတ်ချက်များ ရယူပြင်ဆင်ထားပြီး |
|---|---|---|---|---|---|---|---|
| ၁ | B-2 (ဇီးဖြူတောင်-နန်တော) | စစ်ကိုင်း | ONGC Videsh Limited, India<br>(97%) | Machinery and Solutions Co., Ltd.<br>(3%) | 2.00 | <u>Preparation Period</u><br><u>(EIA/SIA)</u> 0.10<br><u>Exploration Period</u><br>(3Years) 28.1<br>(2 Years) 10.9<br>(1 Year) 10.5 | (၁) ရှေ့နေချုပ်ရုံး<br>(၂) စာရင်းစစ်ချုပ်ရုံး<br>(၃) သယံဇာတနှင့်သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဝန်ကြီးဌာန<br>(၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန<br>(၅) ဗဟိုဘဏ် |
| ၂ | EP-3 (သဲကုန်း-ရွှေကူ) | ပဲခူး | ONGC Videsh Limited, India<br>(97%) | Machinery and Solutions Co., Ltd.<br>(3%) | 1.5 | <u>Preparation Period</u><br><u>(EIA/SIA)</u> 0.10<br><u>Exploration Period</u><br>(3Years) 18.5<br>(2 Years) 7.25<br>(1 Year) 6.8 | 〃 |
| ၃ | EP-1 (ကျောက်ကြီး-မင်းတုန်း) | မကွေး | Brunei National Petroleum Co., Sdn. Bhd., Brunei<br>(87.25%) | IGE Pte., Ltd.<br>(12.75%) | 3.0 | <u>Preparation Period</u><br><u>(EIA/SIA)</u> 0.30<br><u>Exploration Period</u><br>(3Years) 18.7<br>(2 Years) 5.0<br>(1 Year) 4.0 | 〃 |

| စဉ် | PSC လုပ်ကွက်/ ဒေသ | ပြည်နယ်/ တိုင်းဒေသကြီး | စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ (Operator) | မြန်မာကုမ္ပဏီ (Local Partner) | Signature Bonus (MMUS$) | Expenditure (MMUS$) | ဌာန ၅ခု၏ သဘောထား မှတ်ချက်များ ရယူပြင်ဆင်ထားပြီး |
|---|---|---|---|---|---|---|---|
| ၄ | C-1 (အင်းတော်-ရနန်း) | စစ်ကိုင်း | Pacific Hunt Energy Corp., Canada (75%) | Young Investment Group Co., Ltd. (25%) | 4.5 | Preparation Period (EIA/SIA) 0.20<br>Exploration Period<br>(3Years) 41.05<br>(2 Years) 17.00<br>(1 Year) 7.00 | ။ |
| ၅ | H (တောင်ငူ-ပျဉ်းမနား) | ပဲခူး | Pacific Hunt Energy Corp., Canada (75%) | Young Investment Group Co., Ltd. (25%) | 3.6 | Preparation Period (EIA/SIA) 0.10<br>Exploration Period<br>(3Years) 54.69<br>(2 Years) 23.00<br>(1 Year) 10.00 | ။ |
| ၆ | MOGE-4 (မြင်သာ) | ဧရာဝတီ | CAOG S.a r.l., Luxembourg (94.5% ) | Apex Geo Services Co., Ltd. (5.5%) | 2.0 | Preparation Period (EIA/SIA) 0.15<br>Exploration Period<br>(3Years) 22.00<br>(2 Years) 10.00<br>(1 Year) 8.00 | ။ |
| ၇ | EP-4 (မရမန်) | ပဲခူး | Bashneft International B.V., Netherlands (90%) | Sun Apex Holdings Ltd. (10%) | 4.00 | Preparation Period (EIA/SIA) 0.15<br>Exploration Period<br>(3Years) 28.436<br>(2 Years) 6.016<br>(1 Year) 3.803 | ။ |

The undersigned, Steven van der Waal, civil-law notary officiating in The Hague, the Netherlands, herewith declares that the signatures on the attached document are the signatures of:

- **Mrs. Suzanne Veronica Constance Röell**, born in Leiden, the Netherlands, on December 19, 1975, holder of a Dutch passport with number NTLP82C88 and valid until February 13, 2017; and

- **Mr. Nikolay Olegovich Naumovich**, born in Alma-Ata, Kazachstan, on March 16, 1978, holder of a Russian passport with number 72 2497917 and valid until December 24, 2022.

which persons, as appears from an extract from the Dutch trade register dated February 4, 2014 and the current articles of association of the Company as defined below, are managing director A (*bestuurder A*) respectively managing director B (*bestuurder B*) of and as such jointly authorised to represent:

**Bashneft International B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), organised under the laws of the Netherlands, having its registered office (*statutaire zetel*) in Amsterdam, the Netherlands, and with business address: Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, registered with the Dutch trade register under number 56598491, hereinafter referred to as: the "**Company**".

This statement explicitly contains no judgment as to (i) the contents of the attached document, (ii) whether the objects of the Company allow the signing of the document and (iii) whether there is a conflict of interest between the signatories of the document and the Company. The undersigned has not informed the signatories of the document on the contents of the attached document and the consequences which will result from the contents of this document.

Any and all liability of the undersigned and/or Buren N.V. hereunder shall be limited to the amount that in the matter concerned will be claimable under the professional liability insurance(s) of the undersigned and/or Buren N.V., to be increased by the amount of the excess that is for the account of Buren N.V. under the policy terms concerned. Any and all liability for indirect and consequential damages is hereby excluded.

Finally, this document should expressly not be regarded as a legal opinion.

The Hague, the Netherlands, February 4, 2014.

Steven van der Waal
*Civil-law notary*

Mr S. van der WAAL * NOTARIS TE 's-GRAVENHAGE *

**Legalisation**

Seen for legalisation of the signature of
**mr. S. van der Waal**

By me, President of the District Court of Justice
at 's-Gravenhage,

**mr. M.A. van de Laarschot**

Date: 4 februari 2014
No.: **2014-276**

Ministerie ... Zaken

Gezien voor legalisatie van de handtekening
van: M.A. van de Laarschot
De minister van Buitenlandse Zaken voor deze,
6710
Den Haag,

04-FEB-14 0081 ...

Seen for legalization of the signature of N. Oustins
residing at The Hague by me, Herman Johan Stevens,
Consulate General of the Republic of the Union of Myanmar in
the Netherlands on this 5th day of February 2014

H.J. Stevens
Consul General (H)

CONSULATE GENERAL OF THE REPUBLIC OF THE UNION OF MYANMAR
★ BREDA ★

## POWER OF ATTORNEY

**The Undersigned:**

**Bashneft International B.V.**, a private company with limited liability, incorporated under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands and its registered address at Prins Benrhardplein 200, 1097 JB, Amsterdam, the Netherlands (the "Company"), represented by its managing directors:

- **Ms. Suzanne Veronica Constance Hoogstrate-Röell**, acting in her capacity as Managing Director A of the Company;
- **Mr. Nikolay Naumovich**, acting in his capacity as Managing Director B of the Company;

**herewith authorizes and empowers:**

**Mr. Nikolay Ivanovich Seregin** (passport No. 72 5860362 issued by FMS 77318 on 17.08.2013), born in Moscow, Soviet Union on June 10, 1960, (the **"Attorney"**)

with a set of the following authorities, provided that the Attorney shall at all times act in accordance with any and all authorizations and instructions of the Management Board of the Company (as defined in the articles of association and the Board Charter of the Company) and (ii) the Attorney shall provide the Management Board of the Company with all relevant information on all matters being dealt with by him, about the way in which he has used his delegated powers and about major developments falling within the scope of his responsibilities:

The Attorney is authorized to solely represent the Company's interests in its relationship with Myanmar Oil and Gas Enterprise (the "MOGE") -the national oil and gas company of Myanmar, Myanmar Ministry of Energy (the "MOE") and other relevant authorized bodies in connection with negotiations and execution on behalf of the Company of the Production Sharing Contract for onshore block EP-4 (Central Burma Basin Area) (the "PSC") substantially on the terms and in the form annexed hereto.

In particular the Attorney shall be vested with the following powers:

- to act as the representative of the Company before the MOGE, the MOE, any other ministries, agencies, state and local government authorities and companies as may be required, in the matters connected with negotiations and execution of the PSC on behalf of the Company and any ancillary documents;
- to sign the PSC and ancillary documents on behalf of the Company, always subject to prior approval through the relevant resolution of the board of directors of the Company approving such execution, which shall also include powers to carry out any other actions required for execution of the PSC and ancillary documents;
- to carry out any other actions and/or sign any other ancillary documents connected with this authorization.

The Attorney may delegate powers set out in this power of attorney subject to prior written consent of the Management Board of the Company.

This appointment expires on 31 May 2014 and may be terminated by the Company at any time.

This power of attorney is governed by the laws of the Netherlands.

| | |
|---|---|
| Nikolay Naumovich | S.V.C. Hoogstrate-Röell |
| Managing Director B | Managing Director A |
| Date: 24 January, 2014 | Date: 24 January, 2014 |

Seen for legalization of the signature of [illegible]........
residing at ..[illegible].. by me, Herman Johan Stevens,
Consulate General of the Republic of the Union of Myanmar in
the Netherlands on this [illegible].... day of January [illegible]

CANCELLED

CANCELLED

H.J. Stevens
Consul General (H)

CANCELLED

CONSULATE GENERAL OF THE REPUBLIC OF THE UNION OF MYANMAR
★ BREDA ★

CANCELLED

# Bashneft International B.V.

# Financial Statements report for the period

# ending December 31, 2013

# Amsterdam, the Netherlands



Bashneft International B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Chamber of Commerce: 56.598.491

*Bashneft International B.V.*
*Draft report for the period ending December 31, 2013*

## Balance sheet as at December 31, 2013

(After result appropriation)

| | Note | December 31, 2013 | |
|---|---|---|---|
| **ASSETS** | | USD | USD |
| **Current assets** | | | |
| *Receivables* | [1] | | |
| Taxes and premiums social insurance | | 23,565 | |
| | | | 23,565 |
| *Cash and cash equivalents* | [2] | | 973,075 |
| | | | 996,640 |

*Bashneft International B.V.*
*Draft report for the period ending December 31, 2013*

## Balance sheet as at December 31, 2013

(After result appropriation)

| SHAREHOLDER'S EQUITY AND LIABILITIES | | December 31, 2013 USD | USD |
|---|---|---|---|
| **Shareholder's equity** | [3] | | |
| Share capital | | 137,910 | |
| Accumulated result | | (11,808,483) | |
| | | | (11,670,573) |
| **Long-term liabilities** | [4] | | |
| Loan due to shareholder | | 2,000,000 | |
| | | | 2,000,000 |
| **Current liabilities** | [5] | | |
| Due to shareholder | | 10,585,234 | |
| Accrued expenses and other liabilities | | 81,979 | |
| | | | 10,667,213 |
| | | | 996,640 |

*Bashneft International B.V.*
*Draft report for the period ending December 31, 2013*

## Statement of income for the year December 4, 2012 - December 31, 2013

| | | December 4, 2012 - December 31, 2013 | |
|---|---|---|---|
| | | USD | USD |
| Wages and salaries | [6] | 252,167 | |
| General costs | [7] | 11,537,049 | |
| **Total operating costs** | | | 11,789,216 |
| **Operating result** | | | (11,789,216) |
| Currency translation results | [8] | 1,628 | |
| Interest expense | [9] | (12,925) | |
| **Total financial income and expenditure** | | | (11,297) |
| Corporate income tax | [10] | | - |
| **Result** | | | (11,800,513) |

## Notes to the balance sheet

### ASSETS

### CURRENT ASSETS

**Receivables [1]**

| | December 31, 2013 |
|---|---|
| | USD |
| **Taxes and premiums social insurance** | |
| Value added tax | 23,565 |
| | 23,565 |

The value added tax receivable relates to the Q4 2012 and Q4 2013 value added tax returns of the Company.

**Cash and cash equivalents [2]**
The cash and cash equivalents relate to the EUR bank account held with the Rabobank and the USD bank account held with Citibank. The total balance of the accounts is freely available to the Company.

*Bashneft International B.V.*
*Draft report for the period ending December 31, 2013*

## Notes to the balance sheet

**SHAREHOLDER'S EQUITY AND LIABILITIES**

**SHAREHOLDER'S EQUITY [3]**

**Share capital**
The issued and paid up share capital of the Company amounts to EUR 100,000 (USD 137,910), divided into 100,000 ordinary shares of EUR 1 (USD 1.38) each.

In accordance with article 373, section 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the year-end rate of 1 EUR = 0.7251 USD. Gains or losses resulting from this translation are charged to the Accumulated result.

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| **Accumulated result** | |
| Opening balance | - |
| Result for the period under review | (11,800,513) |
| Share capital revaluation | (7,970) |
| Closing balance | (11,808,483) |

**LONG-TERM LIABILITIES [4]**

**Loan due to shareholder**

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| *Loan due to shareholder* | |
| Opening balance | - |
| Drawdown during the period under review | 2,000,000 |
| Closing balance | 2,000,000 |

On February 28, 2013, the Company entered into a credit facility agreement with its sole shareholder Joint Stock Oil Company Bashneft Moscow, Russia ("JSOC Bashneft") for the maxiumum amount of USD 110,000,000, which bears an interest of 12 Month Libor per annum. On the same day, the Company drew down an amount of USD 2,000,000.

**CURRENT LIABILITIES [5]**

| | December 31, 2013 |
|---|---|
| | USD |
| **Due to shareholder** | |
| Interest payable regarding credit facility | 1,431 |
| Payable regarding Transfer agreement | 10,583,803 |
| | 10,585,234 |

## *Bashneft International B.V.*
## *Draft report for the period ending December 31, 2013*

### Notes to the balance sheet

Through a public tender, the Iraqi government has awarded JSOC Bashneft the rights to develop the country's oil Block 12, an 8,000 square kilometre area that is expected to hold crude oil. JSOC Bashneft has been granted 70% of the exploration, development and production rights for this Block.
The Exploration, Development and Production Service Contract for this block (the "EDPS Contract") has been signed by JSOC Bashneft on November 8, 2012 with the South Oil Company of the Iraq Ministry of Oil and all the rigths and obligations of JSOC Bashneft were assigned to the Company under the Transfer Agreement dated March 4, 2013. The Company agreed to to reimburse JSOC Bashneft regarding the transfer of the agreement.

| | December 31, 2013 |
|---|---|
| | USD |
| **Accrued expenses and other liabilities** | |
| Management and administration fee payable | 26,912 |
| Tax advisory fee payable | 55,067 |
| | 81,979 |

## Notes to the statement of income

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| **Wages and salaries [6]** | |
| Wages and salaries | 252,167 |
| | 252,167 |

The wages and salaries relate to the Iraq Branche.

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| **General costs [7]** | |
| Management and administration fee | 128,359 |
| Fiscal fee | 45,873 |
| Legal fee | 38,181 |
| Office rent | 119,526 |
| Travel expenses | 106,963 |
| JMC meetings | 28,445 |
| Security expenses | 156,022 |
| Branch registrations | 25,343 |
| Bank charges | 2,588 |
| Reimbursements EDPS Contract Premier Oil | (132,938) |
| Assistance contract costs | 314,064 |
| Transfer agreement costs | 195,025 |
| Signature Bonus regarding EDPS Contract | 10,500,000 |
| Other general costs | 9,598 |
| | 11,537,049 |

The costs regarding the transfer agreement relate to the reimbursements of the Company to JSOC Bashneft regarding the assignment of the EDPS Contract from JSOC Bashneft to the Company.

### Financial income and expense

**Interest expense [9]**
The interest expenses relate to the USD 110,000,000 credit facility agreement with JSOC Bashneft.

**Corporate income tax**
The corporate income tax charge for the period is estimated to be nil.

**Employees**
During the period under review the Company did not employ any personnel.

*Bashneft International B.V.*
*Draft report for the period ending December 31, 2013*

**Notes to the statement of income**

Amsterdam, February 10, 2014

Managing directors,

| | |
|---|---|
| N. Meijer | N. Seregin |
| N. Naumovich | Y. Krasnevskiy |
| M.H. Bakker | S.V.C. Hoogstrate - Röell |

# Bashneft International B.V.

# Annual report for the period

# ending December 31, 2013

# Amsterdam, the Netherlands

**The information contained in this document should at all times be considered as draft information constituting work in progress (the Working Draft). The Working Draft is not complete, and may not include all material information about the Company's (financial) information of a relevant (period in a) financial year. The information contained in the Working Draft is intended for informational and discussion purposes only. Readers are cautioned not to place undue reliance on the information contained in the Working Draft.**
**The Working Draft has not been prepared or reviewed by the Company's management board nor approved by it, and is not an official document adopted or released by the Company. The Working Draft is not to be quoted, cited in any reference, or used by anyone for any purpose other than as a 'draft and work in progress document'.**
**No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in the Working Draft and no liability is accepted for the accuracy or completeness of any such information or opinions by the Company. The figures, estimates, strategies, and views expressed in the Working Draft are based upon past or current market conditions or data and information provided by unaffiliated third parties (which may have not been independently verified) and is subject to change without notice.**
**The Working Draft may contain forward-looking statements about the Company's future plans, strategies, beliefs and performance that are not based on historical facts. Such statements are subject to risks and uncertainties that are beyond the Company's ability to control, such as future market and economic conditions, the behavior of other market participants and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual (financial) information, including figures, may be materially different from those expressed or implied in the Working Draft.**
**Regardless of the reason, no responsibility or liability, whatsoever, is assumed for any loss, punitive, incidental, special, (in)direct, consequential or other damages arising directly or indirectly from changes, suspension or deletion of information contained in the Working Draft or from the unauthorized alteration of said information by a third party. Regardless of the reason, no responsibility or liability, whatsoever, is assumed for any loss, punitive, incidental, special, (in)direct, consequential or other damages arising directly or indirectly from the use of or reliance on the information contained in the Working Draft.**

Bashneft International B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Chamber of Commerce: 56.598.491

Bashneft International B.V.
Annual report December 4, 2012 - December 31, 2013

Table of contents

## 1.1 Directors' report

**General**
Management hereby presents to the sole shareholder the financial statements of Bashneft International B.V. (the "Company") for the first financial year December 4, 2012 - December 31, 2013.

**Activities and results**
On December 4, 2012, the Company was incorporated by its sole shareholder Joint Stock Oil Company Bashneft Moscow, Russia ("JSOC Bashneft") with an issued and paid-up share capital of EUR 100,000.

Through a public tender, the Iraqi government has awarded JSOC Bashneft the rights to develop the country's oil Block 12, an 8,000 square kilometre area that is expected to hold crude oil.
JSOC Bashneft's participating interest in Block 12 is 70%, it's partner has a participating interest of 30%.
The Exploration, Development and Production Service Contract for this block (the "EDPS Contract") has been signed by JSOC Bashneft on November 8, 2012 with the South Oil Company of the Iraq Ministry of Oil and all the rigths and obligations of JSOC Bashneft were assigned to the Company under the Transfer Agreement dated March 4, 2013.
For this purpose the Company has established a branch in Iraq (the "Branch").

On February 28, 2013, the Company entered into a credit facility agreement with JSOC Bashneft for the maximum amount of USD 110,000,000. On the same day, the Company drew down an amount of USD 2,000,000.

**Future outlook**
No material change in activities is contemplated for the coming year. It is expected that the result will be in line with that of the reporting period. Furthermore management has no current plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

**Subsequent events**
Management is not aware of significant events that have occurred since the balance sheet date that were not included in the financial statements.

Amsterdam, February 10, 2014

Managing directors,

| | |
|---|---|
| N. Meijer | N. Seregin |
| N. Naumovich | Y. Krasnevskiy |
| M.H. Bakker | S.V.C. Hoogstrate - Röell |

## 2.1 Balance sheet as at December 31, 2013
(After result appropriation)

| | Note | December 31, 2013 | |
|---|---|---|---|
| **ASSETS** | | USD | USD |
| **Current assets** | | | |
| *Receivables* | [1] | | |
| Taxes and premiums social insurance | | 23,565 | |
| | | | 23,565 |
| *Cash and cash equivalents* | [2] | | 973,075 |
| | | | 996,640 |

## 2.1 Balance sheet as at December 31, 2013

(After result appropriation)

| SHAREHOLDER'S EQUITY AND LIABILITIES | | December 31, 2013 USD | USD |
|---|---|---|---|
| **Shareholder's equity** | [3] | | |
| Share capital | | 137,910 | |
| Accumulated result | | (11,808,483) | |
| | | | (11,670,573) |
| **Long-term liabilities** | [4] | | |
| Loan due to shareholder | | 2,000,000 | |
| | | | 2,000,000 |
| **Current liabilities** | [5] | | |
| Due to shareholder | | 10,585,234 | |
| Accrued expenses and other liabilities | | 81,979 | |
| | | | 10,667,213 |
| | | | 996,640 |

## 2.2 Statement of income for the year December 4, 2012 - December 31, 2013

| | | December 4, 2012 - December 31, 2013 | |
|---|---|---|---|
| | | USD | USD |
| Wages and salaries | [6] | 252,167 | |
| General costs | [7] | 11,537,049 | |
| **Total operating costs** | | | 11,789,216 |
| **Operating result** | | | (11,789,216) |
| Currency translation results | [8] | 1,628 | |
| Interest expense | [9] | (12,925) | |
| **Total financial income and expenditure** | | | (11,297) |
| Corporate income tax | [10] | | - |
| **Result** | | | (11,800,513) |

## 2.3 Notes to the annual report

**General information**
Bashneft International B.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on December 4, 2012 . The registered office of the Company is in Amsterdam, the Netherlands.
The objectives of the Company are to act as a holding and finance company.

**Basis of preparation**
The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in United States Dollar (USD).
Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

The Company qualifies as a small sized company. Therefore, based on article 396 Book 2 of the Dutch Civil Code, exemptions apply to the presentation and disclosures in the Company's financial statements.

**Group structure**
The Company is a 100% subsidiary of Joint Stock Oil Company Bashneft Moscow, Russia ("JSOC Bashneft").

**Consolidation**
The Company does not prepare consolidated accounts in accordance with article 407 sub 2, Book 2 of the Dutch Civil Code.

**Income recognition**
Interest income and expense are recognized in the income statement based on accrual accounting. Dividend income is recognized in the income statement of the year in which the Company's legal right to receive payment is established. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

**Estimates**
The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

**Currency**
Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.
Balance sheets of foreign entities held are translated into the Company's reporting currency at exchange rates ruling on December 31, and their income statements and cash flows are translated at average rates for the year. Exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designed as hedges of such investments, are recorded directly as currency translation differences within shareholder's equity. When a foreign entity is sold, such exchange differences are recognized in the statement of income as part of the gain or loss on sale.

## 2.3 Notes to the annual report

### FINANCIAL INSTRUMENTS

**General**
Financial instruments are valued at amortized cost unless explained otherwise in the notes. Due to the short-term nature of the financial instruments included in these financial statements, the estimated fair value for these financial instruments approximates the book value. This also applies to the long-term loans receivable and payable, as terms and conditions are market based and the interest rate is variable.

**Corporate income tax**
Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Temporary differences between the reporting for tax purposes and the financial statements are recognized as deferred taxes based on the current tax rate. Deferred tax assets and liabilities are netted. Net deferred tax assets will be included in the balance sheet if actual realisation is assumed probable by the Company's management.

Corporate income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

## 2.4 Notes to the balance sheet

**ASSETS**

**CURRENT ASSETS**

**Receivables [1]**

| | December 31, 2013 |
|---|---|
| | USD |
| **Taxes and premiums social insurance** | |
| Value added tax | 23,565 |
| | 23,565 |

The value added tax receivable relates to the Q4 2012 and Q4 2013 value added tax returns of the Company.

**Cash and cash equivalents [2]**
The cash and cash equivalents relate to the EUR bank account held with the Rabobank and the USD bank account held with Citibank. The total balance of the accounts is freely available to the Company.

## 2.4 Notes to the balance sheet

**SHAREHOLDER'S EQUITY AND LIABILITIES**

**SHAREHOLDER'S EQUITY [3]**

**Share capital**
The issued and paid up share capital of the Company amounts to EUR 100,000 (USD 137,910), divided into 100,000 ordinary shares of EUR 1 (USD 1.38) each.

In accordance with article 373, section 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the year-end rate of 1 EUR = 0.7251 USD. Gains or losses resulting from this translation are charged to the Accumulated result.

| | December 4, 2012 - December 31, 2013 USD |
|---|---|
| **Accumulated result** | |
| Opening balance | - |
| Result for the period under review | (11,800,513) |
| Share capital revaluation | (7,970) |
| Closing balance | (11,808,483) |

**LONG-TERM LIABILITIES [4]**

**Loan due to shareholder**

| | December 4, 2012 - December 31, 2013 USD |
|---|---|
| *Loan due to shareholder* | |
| Opening balance | - |
| Drawdown during the period under review | 2,000,000 |
| Closing balance | 2,000,000 |

On February 28, 2013, the Company entered into a credit facility agreement with its sole shareholder Joint Stock Oil Company Bashneft Moscow, Russia ("JSOC Bashneft") for the maxiumum amount of USD 110,000,000, which bears an interest of 12 Month Libor per annum. On the same day, the Company drew down an amount of USD 2,000,000.

**CURRENT LIABILITIES [5]**

| | December 31, 2013 USD |
|---|---|
| **Due to shareholder** | |
| Interest payable regarding credit facility | 1,431 |
| Payable regarding Transfer agreement | 10,583,803 |
| | 10,585,234 |

## 2.4 Notes to the balance sheet

Through a public tender, the Iraqi government has awarded JSOC Bashneft the rights to develop the country's oil Block 12, an 8,000 square kilometre area that is expected to hold crude oil. JSOC Bashneft has been granted 70% of the exploration, development and production rights for this Block.
The Exploration, Development and Production Service Contract for this block (the "EDPS Contract") has been signed by JSOC Bashneft on November 8, 2012 with the South Oil Company of the Iraq Ministry of Oil and all the rigths and obligations of JSOC Bashneft were assigned to the Company under the Transfer Agreement dated March 4, 2013. The Company agreed to to reimburse JSOC Bashneft regarding the transfer of the agreement.

| | December 31, 2013 |
|---|---|
| | USD |
| **Accrued expenses and other liabilities** | |
| Management and administration fee payable | 26,912 |
| Tax advisory fee payable | 55,067 |
| | 81,979 |

## 2.5 Notes to the statement of income

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| **Wages and salaries [6]** | |
| Wages and salaries | 252,167 |
| | 252,167 |

The wages and salaries relate to the Iraq Branche.

| | December 4, 2012 - December 31, 2013 |
|---|---|
| | USD |
| **General costs [7]** | |
| Management and administration fee | 128,359 |
| Fiscal fee | 45,873 |
| Legal fee | 38,181 |
| Office rent | 119,526 |
| Travel expenses | 106,963 |
| JMC meetings | 28,445 |
| Security expenses | 156,022 |
| Branch registrations | 25,343 |
| Bank charges | 2,588 |
| Reimbursements EDPS Contract Premier Oil | (132,938) |
| Assistance contract costs | 314,064 |
| Transfer agreement costs | 195,025 |
| Signature Bonus regarding EDPS Contract | 10,500,000 |
| Other general costs | 9,598 |
| | 11,537,049 |

The costs regarding the transfer agreement relate to the reimbursements of the Company to JSOC Bashneft regarding the assignment of the EDPS Contract from JSOC Bashneft to the Company.

**Financial income and expense**

**Interest expense [9]**
The interest expenses relate to the USD 110,000,000 credit facility agreement with JSOC Bashneft.

**Corporate income tax**
The corporate income tax charge for the period is estimated to be nil.

**Employees**
During the period under review the Company did not employ any personnel.

## 2.5 Notes to the statement of income

Amsterdam, February 10, 2014

Managing directors,

| | |
|---|---|
| N. Meijer | N. Seregin |
| N. Naumovich | Y. Krasnevskiy |
| M.H. Bakker | S.V.C. Hoogstrate - Röell |

## 3. Other information

### 3.1 Audit of the financial statements

The Company qualifies as a small sized company. Therefore, based on article 396, sub 7, Book 2 of the Dutch Civil Code, the Company is not required to have its financial statements audited.

### 3.2 Statutory provisions concerning appropriation of result

In accordance with article 11 of the Articles of Association, and applicable law, the management board is authorised to retain the profits or a part thereof, as appears from the most recently adopted financial statements. The General Meeting is subsequently authorised to resolve to distribute or to reserve what then remains of the profits or a part thereof. The General Meeting is also authorised to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholders only to the extent that from the most recently adopted balance sheet it appears that the Company's shareholders' equity exceeds the sum of the reserves which it is legally required to maintain.

The Company may only follow a resolution of the General Meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

### 3.3 Proposed appropriation of result

The Company may only follow a resolution of the general meeting to distribute after the management board has been given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

The loss for the year is charged to the retained earnings.

### 3.4 Post-balance sheet event

No material change in activities is contemplated for the coming year. It is expected that the result will be in line with that of the reporting period. Furthermore management has no current plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

### 3.5 Branches

The Company has a branche in Iraq.

Форма № | Р | 5 | 7 | 0 | 0 | 1 |

Министерство Российской Федерации по налогам и сборам

# СВИДЕТЕЛЬСТВО

**о внесении записи в Единый государственный реестр юридических лиц о юридическом лице, зарегистрированном до 1 июля 2002 года**

**Настоящим подтверждается, что в соответствии с Федеральным законом «О государственной регистрации юридических лиц» на основании представленных сведений в Единый государственный реестр юридических лиц внесена запись о юридическом лице, зарегистрированном до 1 июля 2002 года**

Открытое акционерное общество "Акционерная нефтяная Компания "Башнефть"
(полное наименование юридического лица с указанием организационно-правовой формы)

ОАО АНК "Башнефть"
(сокращенное наименование юридического лица)

Открытое акционерное общество "Акционерная нефтяная Компания "Башнефть"
(фирменное наименование)

зарегистрировано Администрация Кировского района города Уфы Республики Башкортостан
(наименование регистрирующего органа)

13 (дата) января (месяц прописью) 1995 (год) № 60

**за основным государственным регистрационным номером** | 1 | 0 | 2 | 0 | 2 | 0 | 2 | 5 | 5 | 5 | 2 | 4 | 0 |

**Дата внесения записи** 15 (дата) октября (месяц прописью) 2002 (год)

Инспекция МНС России по Кировскому району г.Уфы Республики Башкортостан
(Наименование регистрирующего органа)

Руководитель инспекции МНС России М.М.Сибагатуллина

**серия 02 №** 004176539

Город Уфа Республики Башкортостан

**Двадцать третье октября две тысячи двенадцатого года**

Я, Курбанова Гузель Альмировна, нотариус города Уфы Республики Башкортостан, свидетельствую верность этой копии с подлинником документа. В последнем подчисток, приписок, зачеркнутых слов и иных неоговоренных исправлений или каких-либо особенностей нет.

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**Нотариус:** **Г. А. Курбанова**

НОТАРИУС Г. А. КУРБАНОВА Г. УФА РЕСПУБЛИКИ БАШКОРТОСТАН

Translated from Russian into English

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Ministry of the Russian Federation for Taxes and Charges
02 004176539

Form No. | P | 5 | 7 | 0 | 0 | 1 |

## Ministry of the Russian Federation for Taxes and Charges

# CERTIFICATE

**of an entry made in the Unified State Register of Legal Entities concerning a legal entity registered before July 1, 2002**

**This is to certify that in accordance with the Federal Law On State Registration of Legal Entities, and based on the information provided, an entry was made in the Unified State Register of Legal Entities concerning a legal entity registered before July 1, 2002**

Joint Stock Oil Company Bashneft
(full name of the legal entity, including form of incorporation thereof)

JSOC Bashneft
(abbreviated name of the legal entity)

Joint Stock Oil Company Bashneft
(business name of the legal entity)

is hereby registered with Kirovsky Distict Administration, City of Ufa, Republic of Bashkortostan
(name of the registration authority)

on the 13th day of January, 1995, Reg. No. 60
(day) (month spelled out in words) (year)

**under the Primary State Registration No. (OGRN)**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 0 | 2 | 0 | 2 | 0 | 2 | 5 | 5 | 5 | 2 | 4 | 0 |

**Entry date** 15th day of October, 2002.
(day) (month spelled out in words) (year)

Inspectorate of the Russian Ministry for Taxes and Charges in the Kirovsky District of Ufa, Republic of Bashkortostan
(Name of the registration authority)

Chief,
Inspectorate of the Russian Ministry
for Taxes and Charges *(signature)* M.M. Sibagatullina

**Seal:**
Department of the Russian Ministry for Taxes and Charges in the Republic of Bashkortostan
Inspectorate of the Ministry of the Russian Federation for Taxes and Charges in the Kirovsky District of Ufa
Russian Federation
Taxpayer's Identification No. (TIN) 0274039092

**Series 02 No.** 004176539

*City of Ufa*

**Stamp:**
City of Ufa, Republic of Bashkortostan
This OCTOBER 23, 2012, I, Guzel Almirovna Kurbanova, Notary of Ufa, Republic of Bashkortostan, do hereby certify that this is a true copy of the original document. The document does not contain any erasures, additions, crossed out words or other amendments or peculiarities.
Registration No. *3к-9744*
Fee paid: *30 rub.*
Notary *(signature)* G.A. Kurbanova

**Seal:**
Notary G.A. Kurbanova
City of Ufa, Republic of Bashkortostan

*Перевод с русского языка на английский язык выполнил переводчик Ощепкова Ольга Валериевна*

**Город Москва.**
Седьмого февраля две тысячи тринадцатого года.
Я, Фарнасова Мария Ильинична, временно исполняющая обязанности нотариуса города Москвы Шлеина Никиты Викторовича, свидетельствую подлинность подписи, сделанной переводчиком Ощепковой Ольгой Валериевной в моем присутствии. Личность ее установлена.

Зарегистрировано в реестре за № 1п-2123
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2 (два) листов

ВрИО нотариуса

Я, Рябый Р.Е., начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации, удостоверяю подлинность подписей

Курбановой Гузель Альмировны,

нотариуса нотариального округа г.Уфы

Республики Башкортостан,

и Фарнасовой Марии Ильиничны, временно исполняющей обязанности

нотариуса города Москвы

Шлеина Никиты Викторовича,

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г. Москва

№ 1061

«11» февраля 2013г.

Консульский департамент
Министерства иностранных дел России
удостоверяет подлинность
предстоящей подписи
"___" ___ 26 ___ 20___ г.
Начальник отдела Консульского департамента
МИД России ___

/ Марков ___

NO. 19/2013

Certified that the seal and signature of the Consular Officer of the Ministry of Foreign Affairs are real and authentic. The Embassy of the Republic of the Union of Myanmar in Moscow assumes no responsibility for the contents of the documents.

07/03/2013

TIN MAUNG WINN
FIRST SECRETARY

07. 03. 2013

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___ *Р.Е. Рябый*

БАШНЕФТЬ

# СОВЕТ ДИРЕКТОРОВ

## ВЫПИСКА ИЗ ПРОТОКОЛА № 05-2011

г. Москва «06» апреля 2011 г.

ул. 1-я Тверская-Ямская, д. 5, 8 этаж.
Время открытия заседания: 15 час. 00 мин.
Время закрытия заседания: 16 час. 00 мин.

Форма проведения заседания: совместное присутствие членов Совета директоров для принятия решений по вопросам повестки дня.

**Присутствовали:**
**Председатель Совета директоров ОАО АНК «Башнефть»:** Гончарук А.Ю.
**Члены Совета директоров ОАО АНК «Башнефть»:** Абугов А.В., Алмакаев Р.Ф., Буянов А.Н., Голдин А., Дроздов С.А., Корсик А.Л., Марченко И.В., Меламед Л.А., Пустовгаров Ю.Л., Рахимов М.Г., Хорошавцев В.Г., Якобашвили Д.М.
**Секретарь Совета директоров ОАО АНК «Башнефть»:** Журавлева Э.О.

Присутствовали все 13 избранных членов Совета директоров.
Кворум для проведения заседания имеется. Совет директоров правомочен принимать решения по всем вопросам повестки дня.

**Приглашены для участия в заседании:** Шамолин М.В.(Президент ОАО АФК «Система»), Евтушенков Ф.В. (Первый-вице президент – Руководитель Бизнес-единицы «Базовые активы» ОАО АФК «Система»),

## ПОВЕСТКА ДНЯ

1. О целевой структуре ОАО АНК «Башнефть».
2. О назначении Президента ОАО АНК «Башнефть».

**1. О назначении Президента ОАО АНК «Башнефть».**

**СЛУШАЛИ:**
Сообщение Председателя Совета директоров ОАО АНК «Башнефть» Гончарука А.Ю.

**РЕШИЛИ:**

2.1. Прекратить полномочия Президента, Председателя Правления ОАО АНК «Башнефть» Хорошавцева Виктора Геннадьевича 06 апреля 2011 г. на основании пункта 1 части 1 статьи 77 и статьи 78 Трудового Кодекса Российской Федерации по соглашению сторон.

2.2. Одобрить дополнительное соглашение к трудовому договору от 29 сентября 2009 г. между Хорошавцевым Виктором Геннадьевичем и ОАО АНК «Башнефть» о прекращении этого трудового договора на условиях, указанных в Приложении 1 к настоящему Протоколу, и поручить Председателю Совета директоров ОАО АНК «Башнефть» подписать это дополнительное соглашение от имени ОАО АНК «Башнефть».

2.3. Назначить Президентом, Председателем Правления ОАО АНК «Башнефть» Корсика Александра Леонидовича с 07 апреля 2011 г. сроком на 3 (три) года.

**Голосовали:**
«ЗА» - 13 голосов.
«ПРОТИВ» - голосов нет.
«ВОЗДЕРЖАЛИСЬ» - голосов нет.
**Решение ПРИНЯТО.**

**ВЫПИСКА ВЕРНА:**

*Председательствующий на заседании Совета директоров* — *Гончарук А.Ю.*

*Секретарь Совета директоров* — *Журавлева Э.О.*

Город Уфа Республики Башкортостан
Двадцатое сентября две тысячи двенадцатого года

Я, Курбанова Гузель Альмировна, нотариус города Уфы Республики Башкортостан, свидетельствую верность этой копии с подлинником документа. В последнем подчисток, приписок, зачеркнутых слов и иных неоговоренных исправлений или каких-либо особенностей нет.

*Зарегистрировано в реестре за №* 3к-1182.
*Взыскано по тарифу: 30 руб.* + 20 р. = 50 р.

**Нотариус:** **Г. А. Курбанова**

.nslated from Russian into English

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**BASHNEFT**

**BOARD OF DIRECTORS**

**EXTRACT FROM**
**THE MINUTES No. 05-2011**

City of Moscow April 06, 2011

5 1st Tverskaya-Yamskaya Str., 8th Floor.
Time of opening: 03:00 pm
Time of closing: 04:00 pm

Meeting holding form: joint attendance of members of the Board of Directors to make resolutions on the issues of the agenda.

**Persons present:**
**Chairman of the Board of Directors of JSOC Bashneft:** Mr. A.Yu. Goncharuk
**Members of the Board of Directors of JSOC Bashneft:** Mr. A.V. Abugov, Mr. R.F. Almakaev, Mr. A.N. Buyanov, Mr. A. Goldin, Mr. S.A. Drozdov, Mr. A.L. Korsik, Mr. I.V. Marchenko, Mr. L.A. Melamed, Mr. Yu.L. Pustovgarov, Mr. M.G. Rakhimov, Mr. V.G. Khoroshavtsev, Mr. D.M. Yakobashvili.
**Secretary of the Board of Directors of JSOC Bashneft:** Mrs. E.O. Zhuravleva

Persons present: all 13 elected members of the Board of Directors.
A quorum for the meeting is recorded as present. The Board of Directors is competent to make resolutions on all issues of the agenda.

**Persons invited:** Mr. M.V. Shamolin (President of Sistema JSCC, OJSC), Mr. F.V. Evtushenkov (First Vice President – Head of the Core Assets Business Unit of Sistema JSCC, OJSC).

**AGENDA**

1. On target structure of JSOC Bashneft.
2. On appointment of President of JSOC Bashneft.

**1. On Appointment of President of JSOC Bashneft.**

**HEARD:**
Report of Mr. A.Yu. Goncharuk, the Chairman of the Board of Directors of JSOC Bashneft.

**IT WAS RESOLVED:**

2.1. To terminate the powers of Mr. Viktor Gennadyevich Khoroshavtsev, President, Chairman of the Management Board of JSOC Bashneft with effect from April 06, 2011 pursuant to the Clause 1, Part 1, Article 77 and Article 78 of the Labor Code of the Russian Federation, as agreed by the parties;

2.2. To approve of the addendum to the Employment Contract dd. September 29, 2009 entered into between Mr. Viktor Gennadyevich Khoroshavtsev and JSOC Bashneft relating to termination thereof subject to terms and conditions specified in the Schedule 1 hereto, and to entrust the Chairman of the Board of Directors of JSOC Bashneft to sign the addendum for JSOC Bashneft;

2.3. To appoint Mr. Aleksandr Leonidovich Korsik the President, Chairman of the Management Board of JSOC Bashneft with effect from April 07, 2011 for 3 (three) years.

**Voting results:**
"FOR" – 13 votes.
"AGAINST" – no votes.
"ABSTAINED" – no votes.
**Resolution WAS MADE.**

TRUE EXTRACT:

| | | |
|---|---|---|
| *Chairman, Board of Directors* | *(signature)* | *A.Yu. Goncharuk* |
| *Secretary, Board of Directors* | *(signature)* | *E.O. Zhuravleva* |

Seal:
City of Ufa, Republic of Bashkortostan, Russian Federation
Joint Stock Oil Company Bashneft
Taxpayer's Identification No. (TIN) 0274051582

*City of Ufa*

**Stamp:**
City of Ufa, Republic of Bashkortostan
This SEPTEMBER 20, 2012, I, Guzel Almirovna Kurbanova, Notary of Ufa, Republic of Bashkortostan, do hereby certify that this is a true copy of the original document. The document does not contain any erasures, additions, crossed out words or other amendments or peculiarities.
Registration No. *3к-8892*
Fee paid: *30 rub. +30 rub. =60rub.*
Notary *(signature)* G.A. Kurbanova

**Seal:**
Notary G.A. Kurbanova
City of Ufa, Republic of Bashkortostan

**Raised seal:**
Notary G.A. Kurbanova
City of Ufa, Republic of Bashkortostan

*Перевод с русского языка на английский язык выполнил переводчик Ощепкова Ольга Валериевна*

Ощепкова Ольга Валериевна

**Город Москва.**
Седьмого февраля две тысячи тринадцатого года.
Я, Фарнасова Мария Ильинична, временно исполняющая обязанности нотариуса города Москвы Шлеина Никиты Викторовича, свидетельствую подлинность подписи, сделанной переводчиком Ощепковой Ольгой Валериевной в моем присутствии. Личность ее установлена.

Зарегистрировано в реестре за № 1П-2122
Взыскано по тарифу: 200-00 руб.
ВрИО нотариуса:

НОТАРИУС ГОРОДА МОСКВЫ ШЛЕИН Н.В.

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*Я, Рябый Р.Е., начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации, удостоверяю подлинность подписей*

*Курбановой Гузель Альмировны,*

*нотариуса нотариального округа г.Уфы*

*Республики Башкортостан,*

*и Фарнасовой Марии Ильиничны, временно исполняющей обязанности*

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*г. Москва*

*№ 1060*

*«11» февраля 2013г.*

Консульский департамент
Министерства иностранных дел России
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предстоящей подписи
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Начальник отдела Консульского департамента
МИД России ______________

/ Марков П.Э./

Министерство иностранных дел России * Консульский департамент * П-2 *

Министерство юстиции Российской Федерации (Минюст России) * ОГРН 1037739668834 * 3 *

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FIRST SECRETARY

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______________ *Р.Е. Рябый*

КОПИЯ

Форма № 1-1-Учет

Федеральная налоговая служба

# СВИДЕТЕЛЬСТВО

## О ПОСТАНОВКЕ НА УЧЕТ РОССИЙСКОЙ ОРГАНИЗАЦИИ В НАЛОГОВОМ ОРГАНЕ ПО МЕСТУ НАХОЖДЕНИЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ

Настоящее свидетельство подтверждает, что российская организация

Открытое акционерное общество "Акционерная нефтяная Компания "Башнефть"

(полное наименование в соответствии с учредительными документами)

ОГРН 1 0 2 0 2 0 2 5 5 5 2 4 0

поставлена на учет в соответствии с положениями Налогового кодекса Российской Федерации 01 февраля 2010

(число, месяц, год)

в налоговом органе по месту нахождения

**Межрайонная инспекция Федеральной налоговой службы № 40 по Республике Башкортостан** 0 2 7 4

( Территориальный участок по Ленинскому району г.Уфы Межрайонной инспекции Федеральной налоговой службы № 40 по Республике Башкортостан - 0275 )

(наименование налогового органа и его код)

и ей присвоен

ИНН/КПП 0 2 7 4 0 5 1 5 8 2 / 0 2 7 5 0 1 0 0 1

Свидетельство подлежит замене в случае изменения приведенных в нем сведений.

Начальник Коноваловa И. В.

(подпись,ФИО)

МП

серия 02 №006202563

Город Уфа Республики Башкортостан

**Первое октября две тысячи двенадцатого года**

Я, Курбанова Гузель Альмировна, нотариус города Уфы Республики Башкортостан, свидетельствую верность этой копии с подлинником документа. В последнем подчисток, приписок, зачеркнутых слов и иных неоговоренных исправлений или каких-либо особенностей нет.

*Зарегистрировано в реестре за №* 5с-4577.

*Взыскано по тарифу: 30 руб.*

**Нотариус:** **Г. А. Курбанова**

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Translated from Russian into English

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Federal Tax Service

# CERTIFICATE

## OF REGISTRATION WITH TAX AUTHORITIES OF A RUSSIAN ORGANIZATION AT ITS LOCATION IN THE TERRITORY OF THE RUSSIAN FEDERATION

This is to certify that a Russian organization named below:

Joint Stock Oil Company Bashneft

(full name as per constituent documents)

**Primary State Registration No. (PSRN)** | 1 | 0 | 2 | 0 | 2 | 0 | 2 | 5 | 5 | 5 | 2 | 4 | 0 |

was registered in accordance with provisions of the Tax Code of the Russian Federation on **February 01, 2010** (month, day, year)

with the following tax authority at its location:
**Interdistrict Inspectorate No. 40 of the Federal Tax Service in the Republic of Bashkortostan** | 0 | 2 | 7 | 4 |
(Territorial Division in the Leninsky District of Ufa, Interdistrict Inspectorate No. 40 of the Federal Tax Service in the Republic of Bashkortostan – 0275)

(tax authority's name and code)

and the following Taxpayer's Identification Number (TIN)/Tax Registration Reason Code (KPP) were assigned to it | 0 | 2 | 7 | 4 | 0 | 5 | 1 | 5 | 8 | 2 | / | 0 | 2 | 7 | 5 | 0 | 1 | 0 | 0 | 1 |

This Certificate shall be replaced in the event of modification of data shown herein.

Chief *(signature)* I.V. Konovalova
(signature, full name)

**Series** 02 No. 006202563

**Seal:**
Federal Tax Service of Russia
Department of the Federal Tax Service of Russia in the Republic of Bashkortostan
Interdistrict Inspectorate No. 39 of the Federal Tax Service in the Republic of Bashkortostan
(Interdistrict Inspectorate No. 39 of the Federal Tax Service of Russia in the Republic of Bashkortostan)
Primary State Registration No. (PSRN) 1080275999990

*City of Ufa*

**Stamp:**
City of Ufa, Republic of Bashkortostan
This OCTOBER 1, 2012, I, Guzel Almirovna Kurbanova, Notary of Ufa, Republic of Bashkortostan, do hereby certify that this is a true copy of the original document. The document does not contain any erasures, additions, crossed out words or other amendments or peculiarities.
Registration No. *3к-8577*
Fee paid: *30 rub.*
Notary *(signature)* G.A. Kurbanova

**Seal:**
Notary G.A. Kurbanova
City of Ufa, Republic of Bashkortostan

*Перевод с русского языка на английский язык выполнил переводчик Ощепкова Ольга Валериевна*

Ощепкова Ольга Валериевна

**Город Москва.**
Седьмого февраля две тысячи тринадцатого года.
Я, Фарнасова Мария Ильинична, временно исполняющая обязанности нотариуса города Москвы Шлеина Никиты Викторовича, свидетельствую подлинность подписи, сделанной переводчиком Ощепковой Ольгой Валериевной в моем присутствии. Личность ее установлена.

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*г. Москва*

*№ 1062*

*«11» февраля 2013г.*

Консульский департамент
Министерства иностранных дел России
удостоверяет подлинность
предстоящей подписи
"__" 26 фев 2013 20__ г.
Начальник отдела Консульского департамента
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/ Марков Р.Ф. /

Министерство иностранных дел России * Консульский департамент * П 2 *

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28/2/2013

TIN MAUNG WINN
FIRST SECRETARY

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_____ *Р.Е. Рябый*

Translated from Russian into English

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Copy was made from the legal entity's Articles of Association (Primary State Registration No. (PSRN) 1020202555240) produced while making an entry in the Unified State Register of Legal Entities dd. 25/01/2013 under the State Registration No. 2130280065452

APPROVED
by Resolution of the General Meeting of Shareholders of
Joint Stock Oil Company Bashneft
(Minutes No. 32 dated January 17, 2013)

## Joint Stock Oil Company Bashneft

# ARTICLES OF ASSOCIATION

(REVISED VERSION)

**UFA**
**2013**

# CONTENTS

# SECTION 1. THE COMPANY

## 1. GENERAL PROVISIONS

1.1. Joint Stock Oil Company Bashneft, hereinafter referred to as "Company", was registered by the Administration of the Kirovsky District of the city of Ufa, the Republic of Bashkortostan, on January 13, 1995 (Order No. 60).

1.2. The Company was entered into the Unified State Register of Legal Entities on October 15, 2002 under the Primary State Registration No. 1020202555240.

The Company was reorganized by merger into Open Joint Stock Company Bashkirnefteprodukt (Primary State Registration No. 1020203088927), Open Joint Stock Company Ufaneftekhim (Primary State Registration No. 1020203087079), Open Joint Stock Company Orenburgnefteprodukt (Primary State Registration No. 1025601018530), Open Joint Stock Company Ufa Oil Refinery (Primary State Registration No. 1020203086815) and Open Joint Stock Company Novo-Ufa Oil Refinery (Primary State Registration No. 1020203085561), in accordance with the Merger Agreement dd. April 27, 2012 approved by Resolution of the Extraordinary General Meeting of Shareholders of Joint Stock Oil Company Bashneft dated April 27, 2012, by Resolution of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Bashkirnefteprodukt dated April 26, 2012, by Resolution of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Ufaneftekhim dated April 26, 2012, by Resolution of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Orenburgnefteprodukt dated April 26, 2012, by Resolution of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Ufa Oil Refinery dated April 26, 2012 and by Resolution of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Novo-Ufa Oil Refinery dated April 26, 2012 and by Resolutions of Reorganization by Merger adopted by the abovementioned general meetings.

The Company is the universal successor of Open Joint Stock Company Bashkirnefteprodukt, Open Joint Stock Company Ufaneftekhim, Open Joint Stock Company Orenburgnefteprodukt, Open Joint Stock Company Ufa Oil Refinery and Open Joint Stock Company Novo-Ufa Oil Refinery regarding any and all civil and other obligations transferred in the course of such merger, including, without limitation, aby obligations challenged by any third parties, except as provided in the current applicable laws of the Russian Federation.

1.3. The full trade name of the Company in the Russian language shall be the following: Открытое акционерное общество «Акционерная нефтяная Компания «Башнефть».

1.4. The abbreviated trade name of the Company in the Russian language shall be the following: ОАО АНК «Башнефть».

1.5. The full trade name of the Company in the English language shall be the following: Joint Stock Oil Company Bashneft.

1.6. The abbreviated trade name of the Company in the English language shall be the following: JSOC Bashneft.

1.7. The principal place of business of the Company shall be the following: 30 K. Marx Street, City of Ufa, the Republic of Bashkortostan 450008, Russian Federation.

1.8. The postal address of the Company shall be the following: 30 K. Marx Street, City of Ufa, the Republic of Bashkortostan 450008, Russian Federation.

1.9. The Company shall operate in accordance with the Civil Code of the Russian Federation, Federal Law On Joint-Stock Companies, other regulatory legal acts of the Russian Federation, and these Articles of Association.

1.10. The term of the Company's activity shall not be limited.

## 2. GOAL, OBJECT AND TYPES OF THE COMPANY'S ACTIVITY

2.1. The goal of establishment and activity of the Company shall be deriving profit by way of conducting entrepreneurial activity.

2.2. To achieve its goal, the Company shall conduct the following types of activity:

(1) crude oil and natural gas production and provision of services in these spheres;
(2) production of oil (associated) gas and gas condensate;
(3) manganese ore production and benefication;
(4) production of peat and other kinds of minerals;
(5) manufacture of oil refining, petrochemical and chemical products;
(6) oil refining, natural gas processing, production and realization of petrochemical products;
(7) manufacture of construction products, non-standard and other equipment;

(8) trade and procurement activity (with establishment of own retail outlets) involving industrial products (including oil, oil refining products and petrochemical products), motor vehicles, other transport vehicles and spare parts and components thereto;
(9) activity for establishment, maintenance and operation of petrol filling stations and gas filling stations;
(10) loading, unloading and transportation of hazardous cargo by motor and railway transport;
(11) performance of geologic exploration works, geophysical works and geochemical works in the sphere of mineral resources exploration and reproduction of the mineral resources base;
(12) performance of construction works (including exploratory and production drilling), installation, repair and road works;
(13) operation of mining facilities and objects for opencast mining;
(14) performance of mine-surveying works at exploration of mineral deposits;
(15) construction, maintenance and operation of petroleum depots and petrol filling stations, including mobile ones;
(16) realization of oil, oil products and other products of processing hydrocarbon and other raw materials;
(17) trade and procurement activity involving industrial products, including oil, oil refining products and petrochemical products;
(18) foreign economic activity;
(19) manufacture of individual kinds of machines, equipment and materials (including manufacture of rubber and plastic products) intended for use for industrial, construction and other purposes;
(20) performance of designing and engineering works;
(21) research and development, design and experimental activities;
(22) manufacture of agricultural products, development and introduction of technology for processing agricultural food products;
(23) manufacture of oil products, industrial gases, steam, hot water (thermal power), electric power by other electric power plants and industrial isolated generating plants; manufacture of pharmaceutical preparations and materials;
(24) provision of services of industrial-related nature (including the services for maintenance of structures, machines and equipment; electric power transmission; storage and warehousing of oil (gas) and products of processing thereof; metal processing and coating; collection and processing of wastes and scrap of ferrous and non-ferrous metals (except for precious metals); testing and analysis of the composition (including chemical and biological properties) and purity of materials and substances, etc.);
(25) marketing activity;
(26) consulting and intermediation activity;
(27) investment activity, including in the stock market, leasing activity and factoring activity;
(28) intermediate trade activity (including wholesale and (or) retail trade) and procurement activity;
(29) provision of transport services (including the activity of non-specialized cargo motor transport and provision of cargo transportation services);
(30) creation, introduction and operation of information systems (communication equipment and technologies, development of computer technologies and information sources, development and implementation of software products and automated information processing systems, etc.);
(31) activity in the sphere of electric communications;
(32) forest operation, manufacture of timber and lumber products, wooden building structures (including prefabricated wooden constructions), and millwork; development and introduction of wood processing technologies;
(33) personnel education, training and retraining;
(34) performance of workplace labour conditions compliance certification;
(35) organization of production serving the Company's objectives and interests, including conducting of advertising and publishing activity (in particular, publishing of newspapers and books and binder's activity); organization of exhibitions and auctions; activity of hotels and vacation camps for children; activity of public catering outlets at enterprises, etc.;
(36) provisions of medical, health resort and preventive services to the Company's employees and general public, realization of medical equipment, medicinal agents and medications;
(37) provision of paid legal services; activity in the sphere of accounting; consulting on the issues of business and management;
(38) activity for management of financial and industrial groups and holding companies;
(39) activity of holding companies in the sphere of financial intermediation;
(40) ensuring protection of the Company's facilities and employees and the Company's economic security;

(41) manufacture, bottling and realization (including wholesale realization) of mineral and natural drinking water;
(42) collection of effluent water and wastes and other similar activity;
(43) management of residential and non-residential properties operation;
(44) provision of the Company's assets for temporary use (temporary holding and use); granting the rights arising out of patents for invention, industrial designs and other kinds of intellectual property for a fee;
(45) provision of other business services.
(46) The Company shall have the right to conduct any other types of activity corresponding with its goals and not prohibited by the legislation of the Russian Federation.

2.3. Licensed activities shall be conducted on the ground of appropriate special authorizations (licenses). The Company may conduct such activities in accordance with the documents acknowledging availability of the licenses:
(1) issued to the Company;
(2) issued to other legal entities. The Company shall conduct respective activities on the ground of the above said documents until re-execution of the documents acknowledging availability of the licenses in the name of the Company as the legal successor to the respective licensees, and on the ground of the same documents re-executed in the name of the Company as the legal successor to the respective licensees.

2.4. For the purposes of these Articles of Association, the ordinary economic activity of the Company shall be understood as activity complying with all of the following conditions: it is provided for by Sub-Clauses (1)-(24), Clause 2.2 of these Articles of Association, it is aimed at systematic deriving of profit, and it is conducted by the Company on a regular basis.

## 3. LEGAL STATUS OF THE COMPANY

**3.1.** The Company shall be a legal entity in accordance with the legislation of the Russian Federation, shall have in its ownership separated property accounted for in its independent balance sheet, may acquire and exercise in its own name property and personal non-property rights, bear duties and be a claimant and a respondent in the court.

**3.2.** The Company shall have its round seal, stamps and letterheads bearing its full trade name in the Russian language and / or in the English language and indication of its principal place of business, and its trade marks registered in accordance with the established procedure. The Company shall have the right to have its own logo and other means of visual identification.

3.3. The Company shall have the right to participate in accordance with the established procedure in establishment of other organizations in the Russian Federation and abroad and to have subsidiaries and (or) associated companies (hereinafter referred to as "SAC") within and outside the territory of the Russian Federation, to acquire participatory interests (shares) in their authorized capitals, buildings, structures, land, other immovable property, securities and any other property that may be the object of the right of ownership in accordance with the legislation of the Russian Federation.

3.4. To attract additional funds, the Company shall have the right to issue securities of various kinds, circulation of which is permitted in accordance with the legislation of the Russian Federation, including registered shares, bonds and other securities, determining on its own the terms of issuance and placement thereof in accordance with the legislation and these Articles of Association.

3.5. The Company shall have the right to participate in holding companies, financial and industrial groups, associations and other alliances of profit-making organizations on the terms not being in contravention of the legislation of the Russian Federation and these Articles of Association.

3.6. The Company shall have the right to participate in unions, associations and other alliances of organizations on the terms not being in contravention of the legislation of the Russian Federation and these Articles of Association. The Company shall have the right to co-operate with international financial organizations in any form not prohibited by the law.

3.7. The Company shall acquire civil law rights and assume obligations through its bodies operating in accordance with the law and these Articles of Association.

3.8. The Company shall not be held liable with respect to the obligations of its shareholders, and the shareholders shall not be held liable with respect to the Company's obligations and shall bear the risk of losses related to its activity within the limits of the value of their respective shares. The Company shall not be held liable with respect to the obligations of the state and its authorities, and the state and its authorities shall not be held liable with respect to the Company's obligations.

3.9. For the purposes of implementation of state, social, economic and tax policy, the Company shall be responsible for safety of its internal documents (management, financial and economic, personnel,

shall ensure forwarding the documents having scientific and historical value for state-supported keeping to the central archives of the city of Ufa, and shall store and use personnel documents in accordance with the established procedure.

3.10. The Company shall implement state arrangements for mobilization preparation in accordance with the legislation of the Russian Federation and the regulations of the Government of the Republic of Bashkortostan.

## 4. PROPERTY OF THE COMPANY

4.1. The Company shall be the owner of its property, including the property transferred to the Company by the shareholders. The shareholders of the Company shall have no right of ownership of the property contributed to the Company's authorized capital.

4.2. The Company shall effect unrestricted holding, use and disposal of the property being in its ownership in accordance with the legislation of the Russian Federation.

4.3. Material transactions and related party transactions shall be performed by the Company only upon approval by the General Meeting of Shareholders or the Board of Directors of the Company in accordance with the procedure set out in Sub-Clauses 28.1(23)-28.1(30) and 33.2(19)-33.2(21) of these Articles of Association and subject to other requirements of the legislation of the Russian Federation.

4.4. The Company's property shall consist of fixed assets and current assets and also other property the value of which shall be accounted for in the Company's independent balance sheet. The sources of formation of the Company's property, the Company's income, balance sheet profit and net profit shall be formed in accordance with the procedure provided for by the legislation of the Russian Federation.

## 5. BRANCH OFFICES AND REPRESENTATIVE OFFICES OF THE COMPANY

5.1. The Company may establish in accordance with the appropriate procedure, in the Russian Federation and abroad, its branch offices and representative offices operating on the ground of the regulations thereon, approved by the Board of Directors of the Company. The branch offices and representative offices shall not be legal entities; their heads shall be appointed by President of the Company and shall operate within the limits of the powers determined by the powers of authority granted to them.

5.2. Information on all the branch offices and representative offices of the Company is contained in Appendix A to these Articles of Association. Amendments to Appendix A to these Articles of Association in connection with establishment of the Company's branch offices, opening its representative offices and liquidation thereof shall be made on the ground of a resolution of the Board of Directors of the Company.

5.3. Information on the amendments to Appendix A to these Articles of Association in connection with changes in the information on the Company's branch offices and representative offices shall be submitted to the authority for state registration of legal entities by giving a notice. The above said amendments to Appendix A to these Articles of Association shall enter into force for third parties at the time of notification of such amendments to the authority effecting state registration of legal entities.

## 6. DIVIDENDS OF THE COMPANY

6.1. The Company shall have the right to make resolutions on payment of dividends (to declare dividends) on its outstanding shares on the results of the first quarter, half-year, and nine months of a financial year and (or) on the results of a financial year.

6.2. Resolutions on payment (declaration) of dividends on the results of the first quarter, half-year, and nine months of a financial year may be adopted by the extraordinary General Meeting of Shareholders within 3 (three) months from the end of the respective period. Resolutions on payment of dividends on the results of a financial year shall be adopted by the annual General Meeting of Shareholders of the Company.

6.3. Resolution on payment of dividends, the amount of dividends and the form of payment thereof shall be adopted at the suggestion of the Board of Directors. The amount of dividends may not exceed that recommended by the Board of Directors.

6.4. The time limit for payment of dividends may not exceed 60 (sixty) days from the date of adopting the resolution on payment of dividends.

6.5. The Company shall be obliged to pay dividends declared on the shares of each category (class).

6.6. The amounts of dividend shall be declared as a percentage of the nominal value of a share or in roubles per share.

6.7. Dividend may be paid in cash or, by resolution of the General Meeting of Shareholders, in kind, namely, in the form of shares, bonds, goods, or other property.

6.8. The list of the persons entitled to dividends shall be drawn up as at the date of drawing up the list of the persons having the right to participate in the General Meeting of Shareholders the agenda of which contains the issue of payment of the declared dividend.

6.9. The Company shall have no right to grant any advantages as regards the time of payment of dividends to any holders of the shares of a specific category (class). Payment of the declared dividends on the shares of each category (class) shall be effected simultaneously to all the holders of the shares of such category (class).

If the declared dividends were not paid within the time limit established for payment of dividends in accordance with the provisions of this Section of the Articles of Association, to a person included into the list of the persons entitled to the dividends, such person shall have the right to claim from the Company payment of the declared dividends within 3 (three) years from expiration of the above said time limit. The time limit for making the claim for payment of the declared dividends shall not be subject to reinstatement if missed, except for the cases where a person entitled to the dividends failed to make such a claim as a result of compulsion or threat.

Upon expiration of the time limit specified in this Clause, the declared dividends not claimed by a shareholder shall be accounted for within the Company's retained profit.

6.10. Restrictions upon declaration and payment of dividends shall be established by the legislation of the Russian Federation.

6.11. The Company shall have no right to pay dividends on ordinary shares before payment of dividends on preferred shares.

6.12. The amount of annual dividends per preferred share of A class shall be equal to 10% (ten percent) of the nominal value of such share.

6.13. If the amount of the dividends paid by the Company on each ordinary share in a specific year exceeds the amount payable as the dividend on each preferred share, the amount of the dividend on preferred shares shall be increased up to the amount of the dividend payable on ordinary shares.

## 7. FUNDS AND NET ASSETS OF THE COMPANY

7.1. A reserve fund shall be established in the Company in the amount of 15% (fifteen percent) of the Company's authorized capital. Mandatory deductions to the reserve fund shall be effected on an annual basis in the amount of not less than 5% (five percent) of the Company's net profit until achieving the above said amount of the reserve fund. The reserve fund of the Company shall be intended for covering the Company's losses and also for redemption of the Company's bonds and repurchase of the Company's shares in case of absence of any other funds. The reserve fund may not be used for any other purposes.

7.2. The Company shall have the right to form other funds.

7.3. The value of the Company's net assets shall be determined on the basis of the accounting data in accordance with the procedure established by the legislation of the Russian Federation.

7.4. If the value of the Company's net assets becomes less than its authorized capital, the Company shall be obliged to implement the set of measures provided for by the law.

## 8. ACCOUNTING AND REPORTING IN THE COMPANY

8.1. The Company shall organize maintenance of accounting and take measures for the accounting in the Company to be maintained by way of reliable and complete presentation of information on all the transactions performed and on other facts of economic activity.

8.2. The Company shall be obliged to store the documents provided by the legislation of the Russian Federation.

8.3. The Company shall disclose its financial statements in accordance with the procedure established by the legislation of the Russian Federation and the Company's internal documents.

8.4. Responsibility for organization, status and reliability of accounting in the Company, submission of the Annual Reports and other financial statements to the control authorities in due time, and responsibility for reliability of the information on the Company's activity submitted to the Company's shareholders, creditors and other persons shall lie with the President of the Company in accordance with the procedure established by the law.

8.5. The annual accounting statements of the Company, accompanied with the opinions of the External Auditor and the Audit Committee of the Company, shall be submitted to the Board of Directors and to the annual General Meeting of Shareholders by the President.

8.6. The Annual Report of the Company shall be subject to preliminary approval by the Board of Directors of the Company not later than 30 (thirty) days before the date of holding the General Meeting of Shareholders.

8.7. Reliability of the data contained in the Annual Report of the Company submitted to the General Meeting of Shareholders and in the balance sheet and profit and loss account shall be acknowledged by the Audit Committee of the Company.

## 9. INFORMATION ON THE COMPANY

9.1. Information on the Company shall be provided thereby in accordance with the legislation of the Russian Federation.

9.2. The Company shall be obliged to ensure the shareholders' access to the documents which it is obliged to store and provide in accordance with these Articles of Association and the legislation of the Russian Federation. Provision of information on the Company and copies of the specified Company's documents shall be effected in accordance with the procedure established by the legislation of the Russian Federation.

9.3. The shareholders and the Company shall take reasonable efforts to prevent unauthorized disclosure and divulgation of information on the Company. The members of the Board of Directors having access to confidential information on the Company may not disclose such information to other persons having no access thereto or use such information in their own interests or in the interests of other persons.

9.4. If need be, the Company shall conclude agreements on non-disclosure of confidential information with its employees, the members of the Board of Directors and the shareholders, and the above mentioned persons shall conclude such agreements with each other.

9.5. Mandatory disclosure of information shall be effected by the Company in the volume and in accordance with the procedure established by the Company's internal documents and the legislation of the Russian Federation.

## 10 REORGANIZATION AND LIQUIDATION OF THE COMPANY

10.1. The Company may be reorganized on a voluntary basis in accordance with the procedure established by the legislation of the Russian Federation. Reorganization of the Company shall entail passing of the Company's rights and obligations to its legal successors in accordance with the procedure established by the law.

10.2. Reorganization of the Company may be effected in the form of merger, takeover, split-up, split-off or transformation.

10.3. The Company shall be deemed reorganized from the time of state registration of the newly established legal entities, with the exception of reorganization in the form of takeover.

10.4. In case of reorganization of the Company in the form of takeover of other entity, the Company shall be deemed reorganized from the time of making an entry in the Unified State Register of Legal Entities on termination of the activity of the entity taken over.

10.5. The Company may be liquidated on a voluntary basis in accordance with the procedure established by the law, or by court decision on the grounds provided for by the legislation of the Russian Federation.

10.6. Liquidation of the Company shall entail its termination without transfer of its rights and duties to other persons by way of legal succession.

10.7. From the time of appointment of the Liquidation Commission of the Company, all the powers for management of the Company's affairs shall pass thereto. The Liquidation Commission of the Company shall act before the court in the name of the Company under liquidation.

10.8. The Liquidation Commission shall publish in the printed media intended for publication of the data on state registration of legal entities a notice of liquidation of the Company and of the procedure and the time limits for asserting the claims by the Company's creditors. The period for asserting the claims by the creditors may not be less than 2 (two) months from the date of publication of the notice of liquidation of the Company.

10.9. Upon expiry of the period established for asserting the claims by the creditors, the Liquidation Commission shall draw up an interim liquidation balance sheet containing the data on the composition of the property of the Company under liquidation, on the claims asserted by the creditors, and on the results of consideration of the said claims. The interim liquidation balance sheet shall be approved by the General Meeting of Shareholders.

10.10. Upon completion of settlements with the creditors, the Liquidation Commission shall draw up a liquidation balance sheet, which shall be approved by the General Meeting of Shareholders.

10.11. The property of the Company under liquidation remaining after completion of settlements with creditors shall be distributed by the Liquidation Commission among the shareholders in the following order of priority:

- first, payments shall be effected on the shares to be repurchased by the Company from shareholders in accordance with the requirements of the law;
- second, payments shall be effected on accrued but not paid dividends on preferred shares and the liquidation value of the preferred shares, determined by the Articles of Association of the Company;
- third, the property of the Company under liquidation shall be distributed among the shareholders holding ordinary shares and preferred shares of all classes.

10.12. Distribution of property under each order of priority shall be effected upon distribution in full of property under the preceding order of priority.

10.13 Liquidation of the Company shall be deemed completed, and the Company shall be deemed terminated from the time of making an appropriate entry in the Unified State Register of Legal Entities by the state registration authority.

10.14 At reorganization and liquidation of the Company and also upon cessation of the works in the course of which any data constituting any state secret of the Russian Federation is used the Company shall be obliged to ensure safety of such data and the media containing them.

### 11. ARTICLES OF ASSOCIATION OF THE COMPANY

11.1. These Articles of Association shall be the foundation document of the Company. The requirements of these Articles of Association shall be binding upon all the management and control bodies of the Company and the Company's shareholders. These Articles of Association shall enter into force at the time of its registration in accordance with the procedure established by the legislation of the Russian Federation.

11.2. Resolutions on making amendments and additions to these Articles of Association shall be adopted by the General Meeting of Shareholders of the Company or by the Board of Directors of the Company in accordance with the procedure established by the law and these Articles of Association. Amendments and additions to these Articles of Association shall enter into force for third parties at the time of their state registration.

11.3. The provisions of these Articles of Association shall be applicable in the part not being in contravention of the law. If, as a result of changes in the legislation of the Russian Federation, any articles or provisions of these Articles of Association come into collision with legislative acts, they shall become ineffective and shall not be applicable until making appropriate amendments to these Articles of Association.

## SECTION II. AUTHORIZED CAPITAL OF THE COMPANY

### 12. AUTHORIZED CAPITAL OF THE COMPANY. GENERAL PROVISIONS

12.1. The authorized capital of the Company shall determine the minimum amount of the Company's property securing the interests of the Company's creditors.

12.2. The authorized capital of the Company shall be equal to 227,384,465 (Two hundred and twenty-seven million three hundred and eighty-four thousand four hundred and sixty-five) roubles.

12.3. The Company shall place its ordinary shares and shall have the right to place preferred shares of one or more classes. The nominal value of the placed preferred shares may not exceed 25% (twenty five percent) of the Company's authorized capital.

12.4. 227,384,465 (Two hundred and twenty-seven million three hundred and eighty-four thousand four hundred and sixty-five) shares have been placed to the amount of the authorized capital, that is, to the amount of 227,384,465 (Two hundred and twenty-seven million three hundred and eighty-four thousand four hundred and sixty-five) roubles, including the following:

(1) 188,710,587 (One hundred and eighty-eight million seven hundred and ten thousand five hundred and eighty-seven) ordinary shares (with the nominal value 1 (one) rouble each) to the total amount of 188,710,587 (One hundred eighty-eight million seven hundred ten thousand five hundred eighty-seven) roubles, which is equal to 82.99% of the Company's authorized capital;

(2) 38,673,878 (Thirty-eight million six hundred and seventy-three thousand eight hundred and seventy-eight) preferred shares of A class (with the nominal value 1 (one) rouble each) to the total amount of 38,673,878 (Thirty-eight million six hundred and seventy-three thousand eight hundred and seventy-eight) roubles, which is equal to 17.01% of the Company's authorized capital.

Preferred shares of A class shall not be convertible into ordinary shares in case of their subsequent resale.

12.5. In addition to the outstanding shares, the Company shall have the right to place 5,977,407,975 (Five billion nine hundred and seventy-seven million four hundred and seven thousand nine hundred and seventy-five) ordinary and preferred shares authorized for issuance, with the nominal value 1 (one) rouble each, to the amount of 5,977,407,975 (Five billion nine hundred and seventy-seven million four hundred and seven thousand nine hundred and seventy-five) roubles, including:

4,967,085,218 (Four billion nine hundred and sixty-seven million eighty-five thousand two hundred and eighteen) ordinary shares (with the nominal value 1 (one) rouble each) to the total amount of 4,967,085,218 (Four billion nine hundred and sixty-seven million eighty-five thousand two hundred and eighteen) roubles (ordinary shares authorized for issuance);

1,010,322,757 (One billion ten million three hundred and twenty-two thousand seven hundred and fifty-seven) preferred shares of A class (with the nominal value 1 (one) rouble each) to the total amount of 1,010,322,757 (One billion ten million three hundred and twenty-two thousand seven hundred and fifty-seven) roubles (preferred shares authorized for issuance).

12.6. The shares authorized for issuance shall grant the rights identical to those granted by outstanding shares of the same category (class) in accordance with these Articles of Association.

## 13. INCREASE IN THE AUTHORIZED CAPITAL OF THE COMPANY

13.1. The authorized capital of the Company may be increased by way of increase of the nominal value of the Company's shares or by way of placement of additional shares by resolution of the General Meeting of Shareholders or the Board of Directors of the Company in accordance with Sub-Clauses 28.1(6)-28.1(10) and 33.2(7)-33.2(8) of these Articles of Association.

13.2. Increase in the Company's authorized capital by way of increase of the nominal value of the shares shall be only effected out of the Company's property. Increase in the Company's authorized capital by way of placement of additional shares may be effected out of the Company's property.

13.3. In case of increase in the Company's authorized capital by way of placement of additional shares, such additional shares may be placed by the Company only within the quantity of the shares authorized for issuance, as determined by these Articles of Association. If, at doing that, the quantity of the Company's shares authorized for issuance is not sufficient for placement of the proposed quantity of the Company's additional shares, the resolution on increase in the Company's authorized capital may be adopted in accordance with the procedure and on the terms established by the law and these Articles of Association simultaneously with the resolution on making amendments to these Articles of Association concerning the quantity of the Company's shares authorized for issuance that are necessary for adoption of such resolution.

13.4. The Company's additional shares may be placed by way of subscription or conversion and also by way of distribution among all the shareholders of the Company in case of increase in the Company's authorized capital out of its property.

13.5. The Company shall have the right to place additional shares either by way of private subscription or by way of public subscription.

13.6. The price of placement of additional shares among the persons exercising the preemptive right of acquisition may be lower than the price of placement among other persons by not more than 10% (ten percent). The price of placement of such additional shares may not be lower than their nominal value.

13.7. Payment for the Company's additional shares placed by way of subscription may be effected by cash, securities, other things or property rights, or other rights having monetary value, in accordance with the resolution on increase in the Company's authorized capital.

13.8. The Company's additional shares placed by way of subscription shall be placed on condition of full payment for them.

13.9. In case of increase of the Company's authorized capital out of its property by way of placement of additional shares, such shares shall be distributed among all the shareholders. At doing that, to each shareholder shall be distributed the shares of the category (class) identical to that held by such shareholder, in proportion to the quantity of the shares owned thereby.

13.10. The amount of increase in the Company's authorized capital out of the Company's property may not exceed the difference between the value of the Company's net assets and the sum of the Company's authorized capital and reserve fund.

## 14. REDUCTION IN THE AUTHORIZED CAPITAL OF THE COMPANY

14.1. The Company shall have the right and shall be obliged in the cases provided for by the legislation of the Russian Federation to reduce its authorized capital by way of reduction in the nominal value of the Company's shares or by way of reduction in their total quantity, including by way of acquisition of a portion of the Company's shares in the cases provided for by the legislation of the Russian Federation and these Articles of Association.

14.2. The resolution on reduction in the Company's authorized capital by way of reduction in the nominal value of the shares or by way of acquisition of a portion of the shares for the purpose of reduction in their total quantity shall be adopted by the General Meeting of Shareholders of the Company in accordance with Sub-Clauses 28.1(11)-28.1(12) of these Articles of Association.

14.3. The resolution on reduction in the Company's authorized capital by way of reduction in the nominal value of the shares may provide for payment of cash to all the shareholders of the Company and (or) transfer to them of issue-grade securities issued by other legal entity and owned by the Company.

14.4. The Company's authorized capital may be reduced by way of reduction in the total quantity of the outstanding shares, including by way of acquisition and redemption of a portion of the shares delivered at the Company's disposal in the following cases:

(1) at redemption of a portion of the Company's shares acquired by the Company on the ground of the resolution on reduction in the Company's authorized capital by way of acquisition and redemption of a portion of the Company's shares for the purpose of reduction in their total quantity;

(2) if the shares repurchased by the Company at the request from shareholders were not realized within 1 (one) year from the date of repurchase thereof (except for the cases of repurchase of shares at adoption of the resolution on reorganization of the Company);

(3) repurchase of the Company's shares at reorganization of the Company;

(4) reorganization of the Company in the form of split-off with redemption of the converted shares;

(5) if the shares acquired by the Company in accordance with the resolution of the Company's competent body, as determined by the Articles of Association of the Company, were not realized within 1 (one) year from the date of acquisition thereof;

(6) in other cases provided for by the legislation of the Russian Federation.

14.5. The resolution on reduction in the authorized capital of the Company by way of acquisition of a portion of the shares for the purpose of reduction in their total quantity shall be adopted by the General Meeting of Shareholders.

14.6. Within 3 (three) business days from the date of adoption of the resolution on reduction in its authorized capital by the Company, the Company shall be obliged to notify of such resolution the authority effecting state registration of legal entities and to publish a notice of reduction in its authorized capital in the printed media intended for publication of the data on state registration of legal entities, two times with the frequency of 1 (one) publication a month. A Company's creditor whose rights of claim had accrued before publication of the notice of reduction in the Company's authorized capital shall have the right to claim from the Company acceleration of the respective obligation or, in case of impossibility of such acceleration, termination of the obligation and compensation for the losses related thereto within 30 (thirty) days from the date of the last publication of such notice.

# SECTION III. SHARES AND OTHER ISSUE-GRADE SECURITIES OF THE COMPANY

## 15. SHARES OF THE COMPANY

15.1. All the shares in the Company shall be book-entry registered issue-grade securities granting to their holders (shareholders of the Company) a certain volume of property rights, including the right to participate in the management of the Company, the right to receive a portion of the Company's profit in the form of dividends, and the right to receive a portion of the property remaining upon liquidation of the Company.

15.2. The volume of the rights granted by a share in the Company of a specific category and class shall be determined by the law and these Articles of Association.

15.3. All the ordinary shares in the Company shall have one and the same nominal value and shall grant their holders one and the same volume of rights. Conversion of the Company's ordinary shares into preferred shares, bonds and other securities shall not be permissible.

15.4. The Company's preferred shares of A class shall have one and the same nominal value and shall grant their holders one and the same volume of rights.
15.5. The liquidation value of a preferred share of A class shall be equal to 10% (ten percent) of its nominal value.
15.6. Conversion of preferred shares of A class into bonds or other securities shall not be permissible.
15.7. The rights granted by a share in the Company shall pass to the acquirer thereof at the time of transfer of the rights to such security.

## 16. BONDS AND OTHER ISSUE-GRADE SECURITIES OF THE COMPANY

16.1. In addition to its additional shares, the Company shall have the right to place bonds, options and other issue-grade securities in accordance with the requirements of the legislation of the Russian Federation.
16.2. The Company shall have no right to place bonds or other issue-grade securities convertible into the shares in the Company if the quantity of the Company's shares of certain categories and classes authorized for issuance is less than the quantity of the shares of such categories and classes the right of acquisition of which is provided by such securities. In such case, the resolution on placement of issue-grade securities convertible into the Company's shares may be adopted in accordance with the procedure and on the terms established by the law and these Articles of Association simultaneously with the resolution on making amendments to these Articles of Association concerning the quantity of the Company's shares authorized for issuance that are necessary for adoption of such resolution.
16.3. The price of placement of the Company's issue-grade securities convertible into shares among the persons exercising the preemptive right of acquisition of such securities may be lower than the price of placement among other persons by not more than 10% (ten percent). The price of placement of such issue-grade securities of the Company may not be lower than the nominal value of the shares into which such securities are convertible.
16.4. Payment for issue-grade securities placed by the Company shall be effected in cash only (except for the Company's additional shares placed by way of subscription).
16.5. The Company's issue-grade securities placed by way of subscription shall be placed on condition of full payment for them.
16.6. Redemption of the Company's bonds may be effected in the form of cash or other property in accordance with the resolution on the issuance of the bonds.
16.7. A bond shall certify the right of its holder to claim redemption of the bond (payment of its nominal value or nominal value and interest) on the established dates.
16.8. Placement of bonds and other issue-grade securities shall be effected by the Company by resolution of the General Meeting of Shareholders and (or) by resolution of the Board of Directors of the Company.
16.9. Placement of bonds convertible into shares and placement of other issue-grade securities convertible into shares shall be effected by the Company by resolution of the General Meeting of Shareholders and (or) by resolution of the Board of Directors of the Company.
16.10. A resolution on issuance of bonds shall determine the form, the dates and other terms of redemption of the bonds.
16.11. A bond shall have a nominal value. The nominal value of all of the bonds issued by the Company shall not exceed the amount of the Company's authorized capital or the amount of the security provided to the Company by third parties for the purpose of issuance of the bonds. Placement of bonds by the Company shall be permissible only upon full payment of the Company's authorized capital.
16.12. The Company may place bonds with a single date of redemption or bonds with redemption by series on specific dates.
16.13. The Company shall have the right to provide for the possibility of early redemption of bonds at will of their holders. In such case, the resolution on issuance of the bonds shall determine the price of redemption and the earliest date on which the bonds may be presented for early redemption.
16.14. The Company shall have the right to place bonds secured with pledge of a specific property of the Company or bonds against the security provided to the Company by third parties for the purpose of issuance of the bonds, and also debenture bonds.
16.15. Placement of debenture bonds without security provided by third parties shall be permissible not earlier than the third year of existence of the Company and on condition of proper approval of

the Company's annual accounting statements by that time for 2 (two) completed financial years, except for the cases provided for by federal laws.

16.16. Bonds may be either registered bonds or bearer bonds. In case of issuance of registered bonds, the Company shall be obliged to maintain the register of their holders. A lost registered bond shall be renewed by the Company for a reasonable fee. The rights of the holder of a lost bearer bond shall be reinstated by the court in accordance with the procedure established by the procedural law of the Russian Federation.

16.17. Special features of the securities issue procedure depending on the kind of securities and the way of placement thereof shall be determined by the legislation of the Russian Federation.

## 17. CONSOLIDATION AND SPLIT OF SHARES

17.1. The Company shall have the right to effect by resolution of the General Meeting of Shareholders of the Company consolidation of the outstanding ordinary shares in the Company, as a result of which two or more ordinary shares in the Company are converted into one new ordinary share in the Company. In such case, appropriate amendments shall be made to these Articles of Association in respect of the nominal value and the quantity of the outstanding ordinary shares in the Company and the ordinary shares authorized for issuance.

17.2. If acquisition by a shareholder of an integer quantity of shares is impossible at consolidation of shares, portions of shares (fractional shares) shall be formed.

17.3. By resolution of the General Meeting of Shareholders the Company shall have the right to effect split of the outstanding shares in the Company, as a result of which one share in the Company is converted into two or more shares in the Company of the same category (class). In such case, appropriate amendments shall be made to these Articles of Association in respect of the nominal value and the quantity of the outstanding shares in the Company and the ordinary shares authorized for issuance of such category (class).

## 18. PAYMENT FOR SHARES AND OTHER ISSUE-GRADE SECURITIES AT PLACEMENT THEREOF

18.1. The Company's additional shares and other issue-grade securities placed by way of subscription shall be placed on condition of full payment for them.

18.2. Payment for additional shares placed by way of subscription may be effected in the form of cash, securities, other things or property rights, or other rights having monetary value. Payment for additional shares by way of set-off of monetary claims to the Company shall be permissible if such additional shares are placed by way of private subscription.

18.3. The form of payment for additional shares in the Company shall be determined by the resolution on placement thereof. Payment for other issue-grade securities may be effected only in the form of cash.

18.4. If payment for additional shares is effected by non-monetary funds, the monetary evaluation of the property contributed towards payment for shares shall be effected in accordance with Article 77 of Federal Law On Joint-Stock Companies.

18.5. If payment for additional shares is effected by non-monetary funds, an independent appraiser shall be engaged for determination of the market value of such property unless otherwise provided for by the requirements of the legislation of the Russian Federation. The amount of monetary evaluation of property effected by the Board of Directors of the Company may not exceed the amount of the evaluation effected by the independent appraiser.

18.6. An independent appraiser shall be engaged for determination of the ratio of share conversion in the event of reorganization.

## 19. ACQUISITION BY THE COMPANY OF PREVIOUSLY PLACED SHARES

19.1. The Company shall have the right to acquire its previously placed shares by resolution of the General Meeting of Shareholders on reduction in the Company's authorized capital by way of acquisition of a portion of previously placed shares for the purpose of reduction in their total quantity. The resolution on reduction in the authorized capital in the above said manner may not be adopted if the nominal value of the remaining outstanding shares becomes less than the minimum amount of authorized capital provided for by the legislation of the Russian Federation. The shares acquired on the ground of the resolution of the General Meeting of Shareholders on reduction in the authorized capital shall be redeemed at the time of acquisition.

19.2. The Company shall have the right to acquire its previously placed shares by resolution of the Board of Directors. Such resolution may be adopted if the nominal value of the Company's outstanding shares is equal to at least 90% (ninety percent) of the Company's authorized

capital. The acquired shares shall not grant the right of vote, shall not be taken into account at vote counting, and no dividend shall be accrued thereon. Such shares shall be realized at their market value within 1 (one) year from the date of acquisition. Otherwise, the General Meeting of Shareholders shall be obliged to adopt a resolution on reduction in the Company's authorized capital by way of redemption of such shares.

### 20. REPURCHASE OF COMPANY'S SHARES AT THE REQUEST FROM SHAREHOLDERS

20.1. Shareholders holding the Company's voting shares shall have the right to request repurchase by the Company of all their shares or a portion thereof in case of:

(1) reorganization of the Company or performance of a material transaction the subject of which is property with the value exceeding 50% (fifty percent) of the book value of the Company's assets, resolution on approval of which shall be adopted by the General Meeting of Shareholders in accordance with Federal Law On Joint-Stock Companies;

(2) making amendments and additions to the Company's Articles of Association or approval of a new version of the Articles of Association restricting the rights of such shareholders.

20.2. The above said request may be made by the shareholders having voted against adoption by the Company of the respective resolution or having not participated in the voting on such resolution within 45 (forty-five) days from the date of adoption of the respective resolution by the General Meeting of Shareholders. The requests delivered to the holder of the register of shareholders of the Company (registrar) or to the Company upon expiry of the above said time limits or containing incomplete or unreliable information shall not be accepted for consideration.

20.3. Repurchased shares shall be provided at the disposal of the Company and shall be realized at their market value within 1 (one) year from the date of repurchase.

## SECTION IV. SHAREHOLDERS OF THE COMPANY

### 21. SHAREHOLDERS OF THE COMPANY. GENERAL PROVISIONS

21.1. Any person having taken possession of the Company's shares in accordance with the procedure established by the legislation of the Russian Federation and these Articles of Association shall be recognized a shareholder of the Company. The quantity of shareholders of the Company shall not be limited.

21.2. Unless otherwise provided for by the law, if the right of joint ownership accrues on legitimate grounds in respect of one or more shares in the Company with two or more persons, all such persons shall be considered in their relations with the Company as one shareholder and shall exercise their rights of a shareholder of the Company, including the right to vote at the General Meeting of Shareholders, at their discretion either through one of them or through their common representative. The powers of each of the above said persons shall be properly formalized. Joint owners of a share shall be jointly and severally liable with respect to the obligations of the shareholders.

21.3. A person having taken possession of the Company's fractional share on the grounds provided for by the law and these Articles of Association shall be recognized a shareholder of the Company. A fractional share in the Company shall grant its holder the rights granted by a full share in the Company, in the volume in proportion to the portion of the full share represented by the fractional share.

21.4. The legal status of a shareholder of the Company shall be determined by the volume of rights belonging thereto and obligations imposed thereon. The rights of a shareholder (shareholders) of the Company in respect of the Company and other shareholders shall depend on the category and class of the shares held thereby and on the quantity of such shares.

### 22. REGISTER OF SHAREHOLDERS OF THE COMPANY

22.1. The rights of the Company's shareholders to the Company's shares held thereby shall be certified in the register maintenance system by entries in business accounts with the holder of the register or, if the rights to the Company's shares are recorded with a depository, by entries in custody accounts with the depository.

22.2. The right to a share in the Company shall pass to the acquirer at the time of making by the holder of the register of the credit entry in the acquirer's business account in the register maintenance system or, if the rights to the Company's shares are recorded with a depository, at

the time of making by the person conducting depository activity the credit entry in the acquirer's custody account.

22.3. The register of the shareholders of the Company shall contain the data on each registered person, the quantity and the categories (classes) of the shares recorded in the name of such person, and other data provided for by the legislation of the Russian Federation.

22.4. The Company shall be obliged to ensure maintenance and storage of the register of shareholders of the Company in conformity with the requirements of the legislation of the Russian Federation.

22.5. If the Company has transferred to the registrar the functions of maintenance and storage of the register of shareholders of the Company, the Company shall not be released from responsibility for its maintenance and storage.

## 23. RIGHTS OF SHAREHOLDERS HOLDING THE COMPANY'S ORDINARY SHARES

23.1. Shareholders (a shareholder) holding in the aggregate 1 (one) full ordinary share in the Company shall have 1 (one) vote at voting at the General Meeting of Shareholders. A fractional ordinary share in the Company shall grant to its holder the respective portion of a vote.

23.2 Each ordinary share of the Company shall grant to its holder one and the same volume of rights, including the following:

(1) the right to participate in the management of the Company's affairs, including participation, in person or through a representative, in the General Meeting of Shareholders of the Company with the right to vote on all the issues within its competence and with the quantity of the votes equal to the quantity of the Company's ordinary shares held by such shareholder;

(2) the right to receive dividends out of the Company's net profit;

(3) the right to receive a portion of the Company's property in case of its liquidation;

(4) the right to freely alienate all the shares held thereby or a portion thereof without consent of other shareholders or the Company itself;

(5) the right to request, in the cases and in accordance with the procedure provided for by the law, repurchase by the Company of all the shares held by such shareholder or a portion thereof;

(6) the preemptive right of acquisition of additional ordinary shares and issue-grade securities convertible into ordinary shares that are placed by the Company by way of public subscription and, in the cases, in accordance with the procedure and on the terms provided for by the legislation of the Russian Federation, by way of private subscription, in the quantity proportional to the quantity of the shares of such category held by such shareholder;

(7) in case of exercising the preemptive right of acquisition of additional shares and issue-grade securities convertible into the Company's shares that are placed by the Company - the right to pay for such placed issue- grade securities of the Company at his own discretion by cash if the resolution constituting the ground for placement of such issue-grade securities determines that payment for them shall be effected by non-monetary funds;

(8) the right to request from the holder of the register of shareholders of the Company in accordance with the established procedure certification of his rights to the Company's shares held thereby by way of issue to him of an extract from the register of shareholders of the Company, which extract shall not be deemed a security;

(9) the right to request provision to him by the Company of an extract from the list of the persons having the right to participate in the General Meeting of Shareholders, containing the data on such shareholder, or provision of the certificate acknowledging that he is not included into the list of the persons having the right to participate in the General Meeting of Shareholders;

(10) the right to request provision to him by the Company of an extract from the list of the persons having the right to request from the Company repurchase of the shares held thereby, containing the data on such shareholder, or provision of the certificate acknowledging that he is not included into the list of the persons having the right to request from the Company repurchase of the shares held thereby;

(11) the right to request provision to him by the Company of an extract from the list of the persons having the preemptive right of acquisition of additional shares and issue-grade securities convertible into shares that are placed by the Company, containing the data on such shareholder, or provision of the certificate acknowledging that he is not included into the list of such persons;

(12) the right of access to the Company's documents determined by Federal Law On Joint Stock Companies;

(13) the right of unrestricted access to information (materials) to be provided on a mandatory basis to the shareholder in connection with exercising thereby of the right to participate in the General Meeting of Shareholders of the Company at preparation for holding thereof;
(14) the right to bring to the court a claim for invalidation of a material transaction or a related party transaction performed by the Company with violation of the procedure determined by the law;
(15) the right to appeal to the court in accordance with the established procedure against a resolution adopted by the General Meeting of Shareholders with violation of the requirements of the law and these Articles of Association if the shareholder did not participate in the General Meeting of Shareholders or voted against such resolution, and such resolution infringes upon his rights and lawful interests;
(16) other rights provided for by the legislation of the Russian Federation.

23.3. Shareholders (a shareholder) registered in the register maintenance system and holding in the aggregate at least 1% (one percent) of the Company's voting shares shall have, in addition to the above, the following rights:
(1) the right to request from the Company provision to them for examination of the list of the persons having the right to participate in the General Meeting of Shareholders provided that they are included into such list;
(2) the right to bring to the court in accordance with the procedure established by the law a claim against a member of the Board of Directors, a member of the Management Board or President of the Company for compensation for losses caused to the Company.

23.4. Shareholders (a shareholder) registered in the register maintenance system and holding in the aggregate more than 1% (one percent) of the Company's voting shares shall have, in addition to the above, the right to request from the holder of the register of shareholders of the Company provision to them of the data from the register of shareholders of the Company on the names (designations) of shareholders registered in the register of shareholders of the Company and on the quantity, category and nominal value of the securities held thereby.

23.5. Shareholders (a shareholder) registered in the register maintenance system and holding in the aggregate at least 2% (two percent) of the Company's voting shares shall have, in addition to the above, the following rights:
(1) the right to enter issues onto the agenda of the annual General Meeting of Shareholders and to nominate candidates (including by way of self-nomination) to the Board of Directors of the Company and the Audit Committee of the Company;
(2) the right to nominate candidates (including by way of self-nomination) to the Board of Directors and the Audit Committee of the Company if the proposed agenda of the extraordinary General Meeting of Shareholders contains the issue of election of the members of the Board of Directors and the Audit Committee of the Company;
(3) the right to apply to the court for compelling the Company to enter a proposed issue onto the agenda of the General Meeting of Shareholders or to include a candidate into the list of the candidatures for voting at election to the respective Company's body in case of adoption by the Board of Directors of the Company of the resolution on refusal of entering the proposed issue onto the agenda of the General Meeting of Shareholders or inclusion of the candidate into the list of the candidates for voting at election to the respective Company's body, or if the Board of Directors avoids adoption of such resolution.

23.6. Shareholders (a shareholder) holding in the aggregate at least 10% (ten percent) of the Company's voting shares shall have, in addition to the above, the following rights:
(1) the right to request holding of the extraordinary General Meeting of Shareholders of the Company on any issues falling within its competence;
(2) the right to apply to the court for compelling the Company to hold the extraordinary General Meeting of Shareholders if the Board of Directors of the Company has failed to adopt within the time limit established by Federal Law On Joint-Stock Companies a resolution on convocation of the extraordinary General Meeting of Shareholders, or has adopted a resolution on refusal of convocation of the same;
(3) the right to request carrying out by the Audit Committee of the Company of an unscheduled audit (inspection) of the Company's financial and economic activity; such additional audit shall be carried out at the expense of the shareholder having made such request;
(4) the right to request carrying out an unscheduled independent audit of the Company's activity; such additional audit shall be carried out at the expense of the shareholder having made such request.

23.7. Shareholders (a shareholder) holding in the aggregate at least 25% (twenty-five percent) of the Company's voting shares shall have, in addition to the above, the right of unrestricted access to the accounting documents and the minutes of the meetings of the Management Board of the Company.

## 24. RIGHTS OF SHAREHOLDERS HOLDING THE COMPANY'S PREFERRED SHARES

24.1. The Company's preferred shares of a specific class shall grant to its holders one and the same volume of rights and shall have one and the same nominal value. Shareholders holding the preferred shares in the Company:

(1) shall have no right to vote at the General Meeting of Shareholders unless otherwise provided for by Federal Law On Joint-Stock Companies and these Articles of Association;

(2) shall participate in the General Meeting of Shareholders with the right to vote when resolving the issues of reorganization and liquidation of the Company;

(3) shall have the right to participate in the General Meeting of Shareholders with the right to vote on any issues within its competence beginning from the General Meeting following the annual General Meeting of Shareholders at which, for whatever reason, no resolution on payment of dividends was adopted or a resolution was adopted on incomplete payment of dividends on preferred shares of A class. The right of the shareholders holding preferred shares of A class to participate in the General Meeting of Shareholders shall terminate at the time of the first payment of full dividends on the above said shares;

(4) shall acquire the right of vote when the General Meeting of Shareholders is resolving the issues of making amendments and additions to the Articles of Association of the Company that restrict the rights of the shareholders holding preferred shares of A class;

(5) shall have the priority right compared with the holders of ordinary shares to receive:
- accrued but not paid dividends at liquidation of the Company;
- a portion of the value of the Company's property remaining after liquidation (liquidation value).

## 25 OBLIGATIONS OF SHAREHOLDERS OF THE COMPANY

25.1. The obligations of shareholders of the Company shall be determined by the legislation of the Russian Federation and these Articles of Association. In particular, the shareholders of the Company shall be obliged:

(1) to observe the provisions of these Articles of Association and the Company's internal documents and to comply with the resolutions of the General Meeting of Shareholders;

(2) to effect in due time and in compliance with other conditions and the procedure established by the law, these Articles of Association and the Company's internal documents payments for shares and other issue-grade securities placed by the Company;

(3) to provide to the Board of Directors of the Company, the Audit Committee of the Company and the External Auditor of the Company without delay information on the transactions, known to them, being performed and (or) proposed by the Company with respect to which they may be recognized related parties, and also information on legal entities in which they hold, solely or together with their affiliate (affiliates), 20% (twenty percent) or more of the voting shares (participatory shares, units) and on the legal entities in the management bodies of which they hold positions.

25.2. The shareholders of the Company shall have no right to act in the name of the Company without special appropriate powers formalized in accordance with the procedure established by the law.

# SECTION V. MANAGEMENT BODIES OF THE COMPANY

## 26. STRUCTURE OF THE MANAGEMENT BODIES OF THE COMPANY

26.1. Management in the Company shall be effected through the Company's management bodies.

26.2. The management bodies of the Company shall be the following: the General Meeting of Shareholders, the Board of Directors, the Management Board (the collegial executive body of the Company) and President (the sole executive body of the Company).

26.3. Additional internal structural units may be established in the Company (including Boards, Committees and Commissions) under one or other management body of the Company.

## 27 GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

27.1. The General Meeting of Shareholders shall be the highest management body of the Company.

27.2. The General Meeting of Shareholders shall conduct its activity in accordance with the provisions of these Articles of Association, the Company's internal documents approved by resolutions of the General Meeting of Shareholders of the Company, and the requirements of the legislation of the Russian Federation.

27.3. The Company shall be obliged to hold on an annual basis the annual General Meeting of Shareholders.

27.4. At the annual General Meeting of Shareholders, the issues shall be resolved of election of the Board of Directors of the Company, the Audit Committee of the Company, approval of the Company's External Auditor, the issues provided for by Sub-Clause 28.1(19) of these Articles of Association, and also other issues falling within the competence of the General Meeting of Shareholders.

27.5. Any General Meetings of Shareholders other than the annual General Meetings of Shareholders shall be extraordinary General Meetings of Shareholders. At the extraordinary General Meeting of Shareholders the issues may be resolved of early termination of the powers of members of the Board of Directors and election of the Board of Directors of the Company, on early termination of the powers of the members of the Audit Committee and election of the Audit Committee of the Company, on approval of the Company's External Auditor, and other issues provided for by the legislation of the Russian Federation.

## 28. COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS

28.1. The competence of the General Meeting of Shareholders shall include the following issues:

(1) making amendments and additions to these Articles of Association (except for the cases where adoption of a certain resolution falls within the competence of the Board of Directors of the Company) and approval of a revised version of the Company's Articles of Association
*(the resolution shall be adopted by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(2) reorganization of the Company
*(the resolution on transformation of the Company into a non-profit partnership shall be adopted only at the suggestion of the Board of Directors of the Company by an unanimous resolution of all the shareholders of the Company; the resolution on transformation of the Company in any other form shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(3) liquidation of the Company, appointment of the Liquidation Commission and approval of the interim and final liquidation balance sheets
*(the resolution shall be adopted by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(4) determination of the quantity of the members of the Board of Directors of the Company, election of its members and adoption of the resolution on early termination of the powers of all the members of the Board of Directors of the Company, and also adoption of the resolution on payment of the remuneration and (or) procedure for reimbursement of expenses to the members of the Board of Directors of the Company in the period of performance thereby of their duties
*(the resolution on election of the members of the Board of Directors of the Company shall be adopted by cumulative voting. At cumulative voting, the quantity of the votes belonging to each shareholder shall be multiplied by the quantity of the persons to be elected to the Board of Directors of the Company, and a shareholder shall have the right to cast all the votes the quantity of which is determined in such a way for one candidate or to divide them among two or more candidates. The candidates who have received the largest quantity of votes shall be deemed elected to the Board of Directors of the Company. Resolutions on any other issues shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(5) determination of the quantity, the nominal value and the category (class) of the Company's shares authorized for issuance and the rights granted by such shares

*(the resolution shall be adopted by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(6) increase in the authorized capital of the Company by way of increase in the nominal value of the Company's shares
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(7) increase in the authorized capital of the Company by way of placement of additional shares only among the Company's shareholders in case of increase in the authorized capital of the Company out of its property
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(8) increase in the authorized capital of the Company by way of placement by the Company of additional shares through private subscription
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(9) increase in the authorized capital of the Company by way of placement through public subscription of the Company's ordinary shares in a quantity exceeding 25% (twenty-five percent) of the quantity of the previously placed ordinary shares in the Company, and also increase in the Company's authorized capital in other cases not qualified expressly by the applicable legislation or these Articles of Association as falling within the competence of the Board of Directors of the Company
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(10) if the Company has received a voluntary or mandatory offer to acquire shares or other issue-grade securities convertible into shares in the Company - increase in the authorized capital of the Company by way of placement of additional shares within the quantity and the categories (classes) of the shares authorized for issuance, in accordance with the procedure provided for by the law
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders, except for the issues of increase in the authorized capital of the Company by way of placement of additional shares in the Company through private subscription or by way of placement through public subscription of the Company's ordinary shares in a quantity exceeding 25% (twenty-five percent) of the quantity of the previously placed ordinary shares in the Company, in which cases the resolutions shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(11) reduction in the authorized capital of the Company by way of decrease in the nominal value of shares *(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(12) reduction in the authorized capital of the Company by way of acquisition by the Company of a portion of shares with the purpose to reduce their total quantity and also by way of redemption of share acquired or repurchased by the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(13) placement of issue-grade securities convertible into the Company's ordinary shares by way of private subscription
*(the resolution shall be adopted by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(14) placement of issue-grade securities convertible into the Company's ordinary shares by way of public subscription in case of placement of issue-grade securities convertible into the Company's ordinary shares in a quantity exceeding 25% (twenty-five percent) of the quantity of the previously placed ordinary shares in the Company
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(15) placement by the Company of securities convertible into shares, including the Company's options, if the Company has received a voluntary or mandatory offer to acquire shares or other issue-grade securities convertible into shares in the Company in accordance with the procedure provided for by the law
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders, except for the issue of placement of issue-grade securities convertible into the Company's ordinary shares by way of private subscription and the issue of placement of issue-grade securities convertible into the Company's ordinary shares by way of public subscription in case of placement of issue-grade securities convertible into the Company's ordinary shares in a quantity exceeding 25% (twenty-five percent) of the quantity of the previously placed ordinary shares in the Company, in which cases the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(16) election of the members of the Audit Committee and adoption of the resolution on early termination of their powers, and also adoption of the resolution on payment of the remuneration and (or) procedure for reimbursement of expenses to the members of the Audit Committee of the Company in the period of performance thereby of their duties
*(the resolution on election of the members of the Audit Committee of the Company shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares and participating in the General Meeting of Shareholders who neither are the members of the Board of Directors nor hold any positions in the Company's management bodies; resolutions on any other issues shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(17) approval of the Company's External Auditor
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(18) payment (declaration) of dividends on the results of the first quarter, half-year, or nine months of a financial year
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(19) approval of the Annual Report, annual accounting statements, including the Company's income statement (profit and loss account), and distribution of the Company's profit (including payment (declaration) of dividends), except for the profit distributed as dividends on the results of the first quarter, half- year, or nine months of a financial year), and loss on the results of a financial year
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(20) determination of the procedure for holding the General Meeting of Shareholders
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(21) determination of the quantity of the members of the Tabulation Commission and early termination of their powers
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(22) consolidation and split of shares
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(23) approval in accordance with the procedure established by the law and by these Articles of Association of related party transactions if the subject of a transaction or a number of interrelated transactions is property the value of which according to the Company's accounting data (the offer price of acquired property) is equal to 2% (two percent) or more of the book value of the Company's assets, determined on the basis of the Company's accounting statements as at the latest reporting date, except for the transactions provided for by Sub-Clauses 28.1(24) and 28.1(25) of these Articles of Association;

(24) approval in accordance with the procedure established by the law and by these Articles of Association of related party transactions if the subject of a transaction or a number of interrelated transactions is placement by way of subscription or realization of shares in a quantity exceeding 2% (two percent) of the ordinary shares previously placed by the Company and ordinary shares into which may be converted the previously placed issue-grade securities convertible into shares;

(25) approval in accordance with the procedure established by the law and by these Articles of Association of related party transactions if the subject of a transaction or a number of interrelated transactions is placement by way of subscription of issue-grade securities convertible into shares that may be converted into ordinary shares in a quantity exceeding 2% (two percent) of the ordinary shares previously placed by the Company and ordinary shares into which may be converted the previously placed issue-grade securities convertible into shares;

(26) approval in accordance with the procedure established by the law and by these Articles of Association of related party transactions if, at adoption by the Board of Directors of the Company of the resolution on approval of a related party transaction in any other cases not provided for by Sub-Clauses 28.1(23)-28.1(25), the quantity of directors not being related parties is less than a quorum determined by these Articles of Association for holding a meeting of the Board of Directors of the Company, and the issue is submitted by the Board of Directors for resolution by the General Meeting of Shareholders;

(27) approval in accordance with the procedure established by the law and by these Articles of Association of related party transactions if, at adoption by the Board of Directors of the Company of the resolution on approval of a related party transaction in any other cases not provided for by Sub-Clauses 28.1(23)-28.1(25), all the members of the Board of Directors of the Company are recognized related parties and (or) are not independent directors, and the issue is submitted by the Board of Directors for resolution by the General Meeting of Shareholders
*(the resolutions on approval of related party transactions in all the cases listed above in Sub-Clauses 28.1(23)-28.1(27) shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who are not related parties to the transaction in question);*

(28) in case of receiving by the Company of a voluntary or mandatory offer for acquisition of shares or other issue-grade securities convertible into shares, the General Meeting of Shareholders shall approve the related party transactions in accordance with the procedure provided for by the law
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who are not related parties to the transaction);*

(29) approval in accordance with the procedure established by the law and by these Articles of Association of material transactions in the cases where the subject of such transaction is property the value of which exceeds 50% (fifty percent) of the book value of the Company's assets, determined on the basis of the Company's accounting statements as at the latest reporting date
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(30) approval in accordance with the procedure established by the law and by these Articles of Association of material transactions in the cases where the members of the Board of Directors have failed to come to an unanimous resolution on the issue of approval of a material

transaction provided for by Sub-Clause 33.2(20) of these Articles of Association, and the issue is submitted by the Board of Directors for resolution by the General Meeting of Shareholders in accordance with the procedure established by the law
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(31) adoption of resolutions on participation in financial and industrial groups, associations and other unions of profit-making organizations
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(32) approval of internal documents regulating the activity of the Company's bodies
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(33) transfer of the powers of the sole executive body of the Company under a contract to a profit-making organization (management organization) or to a sole proprietor (manager) and adoption of the resolution on early termination of the powers of such management company or manager
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(34) in case of receiving by the Company of a voluntary or mandatory offer on acquisition of the Company's shares or other issue-grade securities convertible into the Company's shares - approval of a transaction or a number of interrelated transactions connected with acquisition, alienation or the possibility of alienation by the Company, directly or indirectly, of property the value of which is equal to 10 (ten) or more percent of the book value of the Company's assets determined on the basis of the Company's accounting statements as at the latest reporting date, unless such transactions are concluded in the course of the Company's ordinary economic activity or had been concluded before receiving by the Company of such voluntary or mandatory offer
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(35) in case of receiving by the Company of a voluntary or mandatory offer on acquisition of the Company's shares or other issue-grade securities convertible into the Company's shares - adoption of the resolution on increase in the remuneration to the persons holding positions in the Company's management bodies, determination of the conditions for termination of their powers, including establishment of or increase in compensations to be paid to such persons in case of termination of their powers
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(36) in case of receiving by the Company of a voluntary or mandatory offer on acquisition of the Company's shares or other issue-grade securities convertible into the Company's shares - acquisition by the Company of previously placed shares
*(the resolution shall be adopted only at the suggestion of the Board of Directors of the Company by a special majority of ¾ (three fourths) of the votes of the shareholders holding the Company's voting shares who participate in the General Meeting of Shareholders);*

(37) other issues provided for by the law and these Articles of Association.

28.2. Resolving of the issues falling within the competence of the General Meeting of Shareholders may not be delegated to the Board of Directors of the Company and the Company's executive bodies.

28.3. The General Meeting of Shareholders shall have no right to consider any issues not falling within its competence and adopt resolutions on such issues.

28.4 Resolutions of the General Meeting of Shareholders adopted on the issues not entered onto the agenda of the General Meeting of Shareholders (except for the cases where all the shareholders of the Company participated in the General Meeting) or adopted with violation of the competence of the General Meeting of Shareholders, in the absence of a quorum for holding the General Meeting of Shareholders, or without the majority of the shareholders' votes required for

adoption of a resolution shall have no effect regardless of appealing against them by judicial process.

29. PREPARATION FOR HOLDING OF THE GENERAL MEETING OF SHAREHOLDERS AND CONVOCATION THEREOF

29.1. The annual General Meeting of Shareholders shall be held not earlier than 2 (two) months and not later than 6 (six) months from the end of the financial year.

29.2. The extraordinary General Meeting of Shareholders shall be held by the resolution of the Board of Directors of the Company adopted on its own initiative, at the request from the Audit Committee of the Company, the Company's External Auditor, or a shareholder (shareholders) holding in the aggregate at least 10% (ten percent) of the Company's voting shares as at the date of making the request, or on any other ground provided for by the legislation of the Russian Federation. The extraordinary General Meeting of Shareholders shall be convened by the Board of Directors of the Company unless otherwise provided for by the legislation of the Russian Federation.

29.3. The resolution of the Board of Directors of the Company on convocation of the extraordinary General Meeting of Shareholders or a motivated resolution on refusal of convocation shall be sent to the persons requesting convocation within 3 (three) days from the time of adoption of such resolution.

29.4. The list of the persons having the right to participate in the General Meeting of Shareholders shall be drawn up on the basis of the data of the register of the shareholders of the Company as at a specific date determined by the Board of Directors of the Company in accordance with the requirements of the legislation of the Russian Federation and these Articles of Association.

29.5. At preparation for holding the General Meeting of Shareholders, the Board of Directors of the Company shall determine the following:

(1) the form of holding the General Meeting of Shareholders (meeting or voting in absentia);

(2) the date, the place and the time of holding the General Meeting of Shareholders, and (or) the date of ending the receipt of the voting ballots and the postal address to which completed ballots shall be sent;

(3) the date and the starting time of registration of the persons having the right to participate in the General Meeting held in the form of a meeting;

(4) the date of drawing up the list of the persons having the right to participate in the General Meeting of Shareholders;

(5) the agenda of the General Meeting of Shareholders;

(6) the procedure for notifying the shareholders of holding the General Meeting of Shareholders;

(7) the list of information (materials) to be provided to the shareholders at preparation for holding the General Meeting of Shareholders and the procedure for provision of such information (materials);

(8) the form and the text of a voting ballot in case of voting by ballots.

29.6. The agenda of the annual General Meeting of Shareholders shall include on a mandatory basis the issues of election of the Board of Directors of the Company and the Audit Committee, approval of the Company's External Auditor, and also the issues of approval of the Annual Report and the annual accounting statements and distribution of the Company's profit or loss.

29.7. The Board of Directors of the Company shall have no right to make amendments to the wordings of the issues proposed for entering onto the agenda of the General Meeting of Shareholders and to the wordings of the resolutions on such issues.

29.8. Voting at the General Meeting of Shareholders shall be effected by voting ballots. The Company shall be obliged to send voting ballots or to serve such ballots against signature to each person specified in the list of the persons having the right to participate in the General Meeting of Shareholders, in accordance with the procedure established by the legislation of the Russian Federation.

29.9. The notice of holding the General Meeting of Shareholders shall be given not later than 30 (thirty) days before the date of holding such General Meeting. If the proposed agenda of the extraordinary General Meeting of Shareholders contains the issue of election of the members of the Board of Directors of the Company (Clause 2, Article 53 of Federal Law On Joint-Stock Companies), or if the proposed agenda of the extraordinary General Meeting of Shareholders contains the issue of reorganization of the Company in the form of merger, split-off or split up and the issue of election of the Board of Directors of the company established by way of reorganization in the form of merger, split-off or split-up, the notice of holding the General

Meeting of Shareholders shall be given not later than 70 (seventy) days before the date of holding such General Meeting.

29.10. If a person registered in the register of shareholders of the Company is a nominee shareholder, the notice of holding the General Meeting of Shareholders shall be sent to the address of such nominee shareholder unless other postal address to which the notice of holding the General Meeting of Shareholders shall be sent is specified in the list of the persons having the right to participate in the General Meeting of Shareholders.

29.11. In the time terms stipulated in Clause 29.9. of these Articles of Association the notice of holding the General Meeting of Shareholders shall be published in the newspapers *The Republic of Bashkortostan* (in the Russian language) and *Bashkortostan* (in the Bashkir language).

29.12. Additional requirements for the procedure for preparation for and convocation of the General Meeting of Shareholders of the Company shall be established by the legislation of the Russian Federation and the Company's internal documents.

29.13. The list of the materials and information on the issues on the agenda of the General Meeting of Shareholders and the procedure for provision of such materials and information shall be determined by the requirements of the legislation of the Russian Federation and by the Regulation on the General Meeting of Shareholders of the Company.

29.14. Proposals on entering issues into the agenda of the General Meeting of Shareholders and proposals on nomination of candidates for election to the Company's bodies to be elected by the General Meeting of Shareholders shall be submitted by the Company's shareholders holding in the aggregate at least 2% (two percent) of the Company's voting shares within 100 (one hundred) days from the end of the financial year.

## 30. HOLDING OF THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

30.1. The General Meeting of Shareholders shall be held in the form of joint attendance of the Company's shareholders (in presentia) to discuss the issues on the agenda and to adopt the resolutions on the issues put to vote. The functions of the chairman of the General Meeting of Shareholders shall be performed by Chairman of the Board of Directors of the Company or by the person duly authorized by the Board of Directors or the General Meeting of Shareholders. The functions of the secretary of the General Meeting of Shareholders shall be performed and the minutes of the General Meeting shall be kept by Secretary of the Board of Directors / Corporate Secretary of the Company, or by the person duly authorized by the Board of Directors or the General Meeting of Shareholders.

30.2. A resolution of the General Meeting of Shareholders may be also adopted without holding the meeting, by way of voting in absentia.

30.3. The General Meeting of Shareholders the agenda of which includes the issues of election of the Board of Directors of the Company, the Audit Committee of the Company, approval of the Company's External Auditor, and also the issues provided for by Sub-Clause 28.1(19) of these Articles of Association may not be held in the form of voting in absentia.

30.4. The right to participate in the General Meeting of Shareholders shall belong to the persons included into the list of the persons having the right to participate in the General Meeting of Shareholders, the persons to whom the rights to the shares have passed by way of succession or reorganization, or representatives of such persons, acting under a proxy or on the ground of the law. If the General Meeting of Shareholders is held in the form of joint attendance, the persons included into the list of the persons having the right to participate in the General Meeting of Shareholders (or their representatives) shall have the right to participate in such General Meeting or to send completed voting ballots to the Company. At determination of a quorum and the results of voting at the General Meeting of Shareholders held in the form of joint attendance, the votes represented by the voting ballots received by the Company not later than 2 days before the date of holding the General Meeting of Shareholders shall be taken into account in addition to the votes cast at the General Meeting of Shareholders by the shareholders registered for participation in the General Meeting of Shareholders.

30.5. Registration of the persons participating in the General Meeting of Shareholders held in the form of a meeting shall be effected by the Tabulation Commission of the Company.

30.6. The functions of the Tabulation Commission of the Company shall be performed by the registrar (holder of the register of shareholders of the Company).

30.7. The Tabulation Commission shall verify the powers of the persons registered for participation in the General Meeting of Shareholders and also verify the proxies of the shareholders' representatives for compliance with the legislation of the Russian Federation.

30.8. The General Meeting of Shareholders held in the form of a meeting shall be opened if at the starting time thereof a quorum is available with respect to at least one of the issues entered onto the agenda of the General Meeting of Shareholders. Registration of the persons having the right to participate in the General Meeting of Shareholders but having not registered for participation therein before its opening shall not be ceased until completion of the discussion on the last issue on the agenda of the General Meeting of Shareholders with respect to which a quorum is in place.

30.9. If the agenda of the General Meeting of Shareholders includes the issues on which voting shall be held by different bodies of voters, a quorum for adopting the resolution on each of such issues shall be determined separately. At doing that, absence of a quorum for adopting the resolutions on the issues for which a specific body of voters is provided for shall not prevent from adopting the resolutions on the issues for which a different body of voters is provided for and a quorum is in place.

30.10. A quorum at the General Meeting of Shareholders shall be determined depending on the body of the voters on specific issues entered onto the agenda of the General Meeting of Shareholders.

30.11. All the shareholders holding the Company's ordinary shares shall be included into the list of voters on any issues entered onto the agenda of the General Meeting of Shareholders, except for the following:

(1) the Company's shareholders recognized in accordance with the procedure established by the law related parties to a transaction to be performed by the Company shall not be included into the body of the voters on the issue of approval of such related party transaction (Sub-Clauses 28.1(23)-28.1(28));

(2) the Company's shareholders being the members of the Board of Directors or holding positions in the Company's management bodies shall not be included into the body of the voters on the issue of election of the members of the Audit Committee of the Company.

30.12. A quorum of the General Meeting of Shareholders with respect to the issue of transformation of the Company into a non-profit partnership shall be equal to 100% (one hundred percent) of the body of the voters on such issue. A quorum of the General Meeting of Shareholders with respect to any other issue entered onto the agenda of the General Meeting of Shareholders shall be equal to a simple majority (more than ½ (a half) of the votes of the shareholders holding the Company's shares with the right to vote on the respective issue.

30.13. Where a quorum is in place, the quantity of the votes required for adoption of a certain resolution by the General Meeting of Shareholders, as established by Clause 28.1 of these Articles of Association, shall be determined on the basis of the votes of the shareholders holding the Company's voting shares and participating in the General Meeting of Shareholders, except for the voting on the issue of transformation of the Company into a non-profit partnership and the issue of approval of a related party transaction (Sub-Clauses 28.1(23)-28.1(28) of these Articles of Association). In the above said cases, the quantity of the votes required for adoption of the resolution by the General Meeting of Shareholders shall be determined on the basis of the votes of the shareholders holding the Company's voting shares who are included into the body of the voters on the respective issue.

30.14. If at the starting time of the General Meeting of Shareholders a quorum is not available with respect to any of the issues entered onto the agenda of the General Meeting of Shareholders, the opening of the General Meeting of Shareholders may be postponed by not more than 2 (two) hours.

30.15. In the absence of a quorum for holding the annual General Meeting of Shareholders, a repeated General Meeting of Shareholders shall be held with the same agenda. In the absence of a quorum for holding the extraordinary General Meeting of Shareholders, a repeated General Meeting of Shareholders may be held with the same agenda. A repeated General Meeting of Shareholders shall be competent (having a quorum) if shareholders holding in the aggregate at least 30% (thirty percent) of the votes belonging to the Company's outstanding voting shares participate therein.

30.16. The notice of holding a repeated General Meeting of Shareholders shall be given in accordance with Clauses 29.9 - 29.12 of these Articles of Association. Sending the voting ballots for voting at a repeated General Meeting of Shareholders shall be effected in accordance with the procedure provided for by the legislation of the Russian Federation.

30.17. If a repeated General Meeting of Shareholders is held in less than 40 (forty) days after the date of the failed General Meeting of Shareholders, the persons having the right to participate in the General Meeting of Shareholders shall be determined in accordance with the list of the persons having the right to participate in the failed General Meeting of Shareholders.

30.18. Voting at the General Meeting of Shareholders shall be effected on the basis of "one voting share of the Company provides one vote" principle, with the exception of cumulative voting in the case provided for by the law and these Articles of Association.

30.19. Additional requirements on the procedure for holding the General Meeting of Shareholders of the Company shall be established by the legislation of the Russian Federation and the Company's internal documents.

30.20. In case of absence of a quorum for holding the annual General Meeting of Shareholders on the ground of the court judgment, a repeated General Meeting of Shareholders with the same agenda shall be held within 60 (sixty) days from the date thereof. In such case, no repeated application to the court shall be required. A repeated General Meeting of Shareholders shall be convened and held by the person or the Company's body specified in the court judgment. If such person or the Company's body fails to convene the annual General Meeting of Shareholders within the time limit determined by the court judgment, a repeated General Meeting of Shareholders shall be convened and held by other persons or other body of the Company having brought a claim to the court provided that such persons or body of the Company shall be specified in the court judgment. In case of absence of a quorum for holding the extraordinary General Meeting of Shareholders on the ground of the court judgment, no repeated General Meeting of Shareholders shall be held.

## 31. DOCUMENTS OF THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY

31.1. Based on the results of the voting, the Tabulation Commission shall draw up the Protocol of the results of voting, to be signed by the members of the Tabulation Commission or by the person performing its functions. The Protocol of the results of the voting shall be drawn up within 3 (three) business days from closing the General Meeting of Shareholders or from the date of ending the receipt of the voting ballots in case of holding the General Meeting of Shareholders in the form of voting in absentia.

31.2. The resolutions adopted by the General Meeting of Shareholders and the results of the voting shall be declared at the General Meeting of Shareholders in the course of which the voting has been held, or shall be brought to the knowledge of the persons included into the list of the persons having the right to participate in the General Meeting of Shareholders in accordance with the procedure established for notification of holding of the General Meeting of Shareholders, in the form of the report on the results of the voting, within 10 (ten) days from the date of drawing up the Protocol of the results of the voting. The report on the results of voting at the General Meeting of Shareholders shall be signed by the person having chaired the General Meeting of Shareholders and by secretary of the General Meeting of Shareholders. The results of the voting on the issues of election of the members of the Board of Directors and the Audit Committee of the Company shall be declared at the General Meeting of Shareholders and shall enter into force at the time of declaration.

31.3. The Protocol of the results of the voting shall be attached to the Minutes of the General Meeting of Shareholders.

31.4. The Minutes of the General Meeting of Shareholders shall be drawn up in two counterparts within 3 (three) business days from closing the General Meeting of Shareholders. Both counterparts shall be signed by the person having chaired the General Meeting of Shareholders and by the secretary of the General Meeting of Shareholders.

31.5. Upon drawing up the Protocol of the results of the voting and signing the Minutes of the General Meeting of Shareholders, the voting ballots shall be sealed by the Tabulation Commission and forwarded to the Company's archive for storing.

31.6. Additional requirements on the form of the documents of the General Meeting of Shareholders and the procedure for drawing up the same shall be established by the legislation of the Russian Federation and by the Company's internal documents.

## 32. BOARD OF DIRECTORS OF THE COMPANY

32.1. The Board of Directors shall effect overall management of the Company's activity, except for resolving the issues falling within the competence of the General Meeting of Shareholders in accordance with the law and these Articles of Association.

32.2. Only a natural person may be a member of the Board of Directors. The persons elected to the Board of Directors may be re-elected without limitation of times. A member of the Board of Directors may not be a shareholder of the Company. The Regulation on the Board of Directors may establish the requirements on the information on the persons being elected to the Board of Directors of the Company.

32.3. The person performing the functions of President of the Company may not simultaneously be Chairman of the Board of Directors of the Company.

32.4. The members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders in accordance with the procedure provided for by the law and these Articles of Association for the period until the following annual General Meeting of Shareholders. If the annual General Meeting of Shareholders has not been held within the established time limit, the powers of the Board of Directors of the Company shall be terminated, except for the powers related to preparation, convocation and holding of the annual General Meeting of Shareholders.

32.5. The quantity of the members of the Board of Directors shall be determined by a resolution of the General Meeting of Shareholders but it may not be less than 9.

32.6. Chairman of the Board of Directors of the Company shall organize and manage the work of the Board of Directors. Chairman of the Board of Directors shall chair the meetings of the Board of Directors of the Company, organize keeping of the minutes at the meetings, and chair the General Meeting of Shareholders.

32.7. Chairman of the Board of Directors and deputies thereto shall be elected by the members of the Board of Directors from among themselves by a majority of the votes of the members of the Board of Directors of the Company. The Board of Directors of the Company shall have the right to re-elect Chairman of the Board of Directors and deputies thereto at any time by a majority of the votes of the members of the Board of Directors of the Company.

32.8. The members of the Board of Directors shall act in the interests of the Company, exercising their rights and performing their duties in respect of the Company reasonably and in good faith.

32.9. The Board of Directors of the Company shall report on its activity to the General Meeting of Shareholders on an annual basis.

32.10. The obligations of the members of the Board of Directors shall be determined by the legislation of the Russian Federation, these Articles of Association and the Company's internal documents. In particular, a member of the Board of Directors shall be obliged:

(1) to observe the requirements of these Articles of Association and the resolutions of the General Meeting of Shareholders of the Company;

(2) to provide to the Company in due time information on himself and his affiliates and to report on any changes in such information in accordance with the procedure established by the law;

(3) to provide to the Board of Directors of the Company, the Audit Committee of the Company and the External Auditor of the Company without delay information on the transactions, known to him, being performed and (or) proposed by the Company with respect to which he may be recognized a related party, and also information on legal entities in which he holds, solely or together with his affiliate (affiliates), 20% (twenty percent) or more of the voting shares (participatory shares, units) and on legal entities in the management bodies of which he holds a position.

32.11. By resolution of the General Meeting of Shareholders, remuneration may be paid to the members of the Board of Directors of the Company in the period of performance thereby of their duties, and expenses related to performance of the functions of the members of the Board of Directors of the Company may be reimbursed to them. The amount of such remunerations and reimbursements shall be determined by a resolution of the General Meeting of Shareholders. By decision of the Company's management bodies, the liability of the members of the Board of Directors at performance thereby of their duties may be insured.

## 33. COMPETENCE OF THE BOARD OF DIRECTORS OF THE COMPANY

33.1. To retain stable financial position and competitive ability of the Company, the Board of Directors shall ensure formation of an effective organizational structure and system of management of the Company, elaborate principal strategic and tactic objectives and facilitate to implementation thereof by the Company.

33.2. The competence of the Board of Directors of the Company shall include the following:

(1) determination of priority lines of the Company's activity; determination of the Company development strategy; approval of the Company's annual budgets (financial plans); consideration of principal lines of activity and development strategy of SAC
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(2) approval of the organizational structure of the Company (in the form of the list of senior officers of the Company and the Company's organizational departments who are directly (immediately) subordinate to President of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(3) consideration of the consolidated results of financial and economic activity of the Company and its SAC; preliminary consideration of the Company's Annual Report and annual accounting statements
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(4) convocation of the annual and extraordinary General Meetings of Shareholders, except for the cases provided for by Sub-Clauses 23.6(2) of these Articles of Association
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(5) approval of the agenda of the General Meeting of Shareholders
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(6) determination of the date of drawing up the list of the persons having the right to participate in the General Meeting of Shareholders and other issues related to preparation and holding of the General Meeting of Shareholders and the meetings of the Board of Directors and falling within the competence of the Board of Directors of the Company in accordance with the legislation of the Russian Federation and these Articles of Association
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(7) increase in the authorized capital of the Company by way of placement by the Company of additional shares through public subscription, except for the cases provided for by Sub-Clauses 28.1(9) and 28.1(10) of these Articles of Association
*(the resolution shall be adopted unanimously by all the members of the Board of Directors, without account for retired members);*

(8) increase in the authorized capital of the Company by way of placement by the Company of additional shares through conversion into such shares of issue-grade securities previously issued by the Company that are convertible into such shares
*(the resolution shall be adopted unanimously by all the members of the Board of Directors, without account for retired members);*

(9) placement by the Company of bonds and other issue-grade securities, except for the cases where adoption of the appropriate resolution falls within the competence of the General Meeting of Shareholders of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting, except for the resolution on placement by the Company of bonds and other issue-grade securities convertible into the Company's shares, which shall be adopted unanimously by the elected members of the Board of Directors);*

(10) determination in the cases provided for by the law of the value (monetary evaluation) of property being the subject of transactions performed by the Company and also determination of the placement price and repurchase price of the Company's issue-grade securities
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting. If a person being a related party to one or more transactions for which the value (monetary evaluation) of property is determined by the Board of Directors of the Company is a member of the Board of Directors of the Company, the value (monetary evaluation) of property shall be determined by resolution of the members of the Board of Directors not being related parties to such transactions);*

(11) acquisition of shares, bonds and other issued-grade securities previously placed by the Company in the cases and in accordance with the procedure provided for by the legislation of

the Russian Federation, except for the cases where such acquisition is connected with reduction in the authorized capital of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(12) appointment of President of the Company, determination of the quantity of the members of the Management Board, election of the members thereof, approval of the terms of the contract with President and the members of the Management Board of the Company, and early termination of the powers of President of the Company and members of the Management Board of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(13) recommendations to the General Meeting of Shareholders regarding the amount of the remuneration to be paid to the members of the Audit Committee of the Company and (or) the procedure for reimbursement of the expenses incurred thereby, and determination of the amount of the Company's External Auditor's fee
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(14) recommendations to the General Meeting of Shareholders regarding the amount of dividend on shares and the procedure for payment thereof
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(15) use of the reserve fund and other funds of the Company and approval of the internal documents regulating the procedure for formation and use of the Company's funds
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(16) approval of the principles of the Company's activity in the following spheres:
- strategy, investments, new types of activity;
- health, safety and environment;
- personnel management strategy, systems of motivation and remuneration of employees;
- participation in SAC, groups, or associations, establishment and activity of branch offices and representative offices;
- corporate governance;
- lending policy

*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(17) approval of the Code of Corporate Conduct of the Company and the Regulation on Risk Management in the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(18) establishment of the Company's branch offices, opening its representative offices and adoption of resolutions on their liquidation, approval of the Regulations on Branch Offices and Representative Offices and adoption of the resolution on making additions and amendments to these Articles of Association in connection with establishment of the Company's branch offices, opening its representative offices and liquidation thereof
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(19) preliminary (prior to performance) approval of a transaction or a number of interrelated transactions in respect of property the value of which is equal to or exceeds the equivalent of 100,000,000 (One hundred million) US Dollars in any currency at the rate of the Bank of Russia as at the business day preceding the date of such approval of the transaction, but not less than 25% (twenty-five percent) of the book value of the Company's assets, determined on the basis of the Company's accounting statements as at the latest reporting date
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(20) approval of material transactions the subject of which is property with the value from 25% (twenty-five percent) to 50% (fifty percent) of the book value of the Company's assets, determined on the basis of the Company's accounting statements as at the latest reporting date

*(the resolution on approval of a material transaction referred to in this Sub-Clause shall be adopted unanimously by all the members of the Board of Directors, without account for retired members);*

(21) approval in accordance with the procedure established by the law of related party transactions, except for the cases where adoption of the appropriate resolution falls within the competence of the General Meeting of Shareholders of the Company in accordance with Sub-Clauses 28.1(23) - 28.1(28) of these Articles of Association
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of independent directors not being related parties to a transaction in question);*

(22) approval of the registrar of the Company and the terms of the contract therewith, alteration and rescission of the said contract
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(23) approval of the candidacy of the management company (manager) and the terms of the contract therewith for entering onto the agenda of the General Meeting of Shareholders of the Company the issue of transfer of the powers of the Company's sole executive body to such management company (manager)
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(24) suspension of the management company's (manager's) powers simultaneously with adoption of the resolution on establishment of the temporary sole executive body of the Company and on holding of the extraordinary General Meeting of Shareholders for resolving the issue of early termination of the management company's (manager's) powers and transfer of the powers of the Company's sole executive body to a management company (manager)
*(the resolution shall be adopted by a special majority of ¾ (three fourths) of the votes of all the members of the Board of Directors, without account for retired members);*

(25) adoption of a resolution on realization of the Company's shares repurchased or otherwise acquired and delivered at the Company's disposal in accordance with the requirements of the law and these Articles of Association
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(26) approval of resolutions on issuance of prospectuses, reports on the results of the issue and reports on the results of acquisition by the Company of the Company's securities
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(27) entering issues onto the agenda of the General Meeting of Shareholders in the cases provided for by the law and these Articles of Association
*(resolutions on entering any above said issues onto the agenda of the General Meeting of Shareholders shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(28) adoption of resolutions on the Company's participation in other organizations, termination of its participation therein and change of its participatory interest (except for the cases where adoption of the appropriate resolution falls within the competence of the General Meeting of Shareholders of the Company in accordance with Sub-Clause 28.1(31) of these Articles of Association, including resolutions on establishment of SAC)
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(29) approval of the principles of assessment of work and the remuneration system and exercising control over the activity of the Company's senior officers being directly (immediately) subordinate to President of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(30) approval of simultaneous holding by President and members of the Management Board of the Company of positions in management bodies of other organizations
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(31) adoption of recommendations in respect of the voluntary or mandatory offer received by the Company in accordance with Chapter XI.I of Federal Law On Joint-Stock Companies, including assessment of the offered price of the securities to be acquired and potential change of

their market price after acquisition, and assessment of the plans of the person having sent the voluntary or mandatory offer to the Company, including the plans in respect of its employees
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(32) establishment of the procedure for interaction with economic companies and organizations in which the Company holds shares and participatory units and adoption of resolutions in relation to SAC in accordance with the established procedure
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(33) appointment of Corporate Secretary / Secretary of the Board of Directors of the Company and termination of his powers; determination of the terms of the contracts with him and approval of the principles of assessment of his work and the remuneration system
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(34) endorsement of the candidacies for the positions of the Company's senior officers being directly (immediately) subordinate to President of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(35) approval of the samples of trade marks
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(36) establishment of committees, commissions and other internal organizational units under the Board of Directors of the Company, determination of their powers and approval of the quantity of members thereof and the personal membership
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(37) elaboration of the Company's position in respect of corporate conflicts
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(38) adoption of the resolution on performance by the Company of a transaction or a number of interrelated transactions for alienation, pledge or other encumbrance of shares or participatory interests in SAC if the market value of the shares or participatory interests being the subject of the transaction, determined in accordance with an independent appraiser's report, exceeds 30 (thirty) million rubles, and also in other cases (amounts) determined by individual resolutions of the Board of Directors of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(39) consideration of President's reports on the Company's activity (including on performance thereby of his official duties) and on implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors of the Company
*(the resolution shall be adopted by a simple majority (more than ½ (a half)) of the votes of the members of the Board of Directors participating in the meeting);*

(40) adoption of resolutions on other issues falling within the competence of the Board of Directors in accordance with the law, these Articles of Association and the Company's contractual obligations and also by foreign law applicable to the Company as to the issuer of securities placed outside the Russian Federation.

33.3. Resolving of the issues falling in accordance with the law and these Articles of Association within the competence of the Board of Directors of the Company may not be delegated to the Company's executive body.

33.4 The resolutions adopted by the Board of Directors within its competence shall be binding upon the Management Board of the Company, President and employees of the Company.

## 34. MEETINGS OF THE BOARD OF DIRECTORS OF THE COMPANY

34.1. The Board of Directors of the Company shall organize its work in the form of meetings held by way of joint attendance in presêntia of the members of the Board of Directors and based on collective free discussion of the issues on the agenda to adopt resolutions within its competence. If need be, the Board of Directors of the Company may adopt resolutions by way of voting in absentia. The decision on holding a meeting of the Board of Directors of the

Company in the form of voting in absentia shall be made by Chairman of the Board of Directors.

34.2. The Board of Directors of the Company shall have the right to hold its meetings with the application of electronic (telephone) communication means. At doing that, Secretary of the Board of Directors shall ensure keeping of magnetic record of the meeting of the Board of Directors. Participation in a meeting of the Board of Directors held with the application of electronic (telephone) communication means shall be tantamount to personal attendance.

34.3. The meetings of the Board of Directors of the Company shall be held as need be but not less than 2 (two) times a quarter and shall be convened by Chairman of the Board of Directors of the Company on his own initiative, at the request of a member of the Board of Directors of the Company, the Audit Committee of the Company or the Company's External Auditor and also at the request from the executive body of the Company.

34.4. Not later than 30 (thirty) days before the date of holding the annual General Meeting of Shareholders of the Company, a meeting of the Board of Directors of the Company shall be held for the purpose of preliminary approval of the Annual Report, annual accounting statements, including the income statement (profit and loss account), the External Auditor's report, and the report of the Audit Committee of the Company on the results of the audit of the annual accounting statements, to be subsequently submitted to the annual General Meeting of Shareholders for approval. At the above said meeting of the Board of Directors Chairman of the Board of Directors of the Company shall provide to the Board of Directors complete current financial information and a comprehensive report on the current state of the Company's affairs, on principal results of the Company's economic activity and on its plans.

34.5. The meetings of the Board of Directors shall be held at the Company's principal place of business or in any other place determined by Chairman of the Board of Directors.

34.6. The members of the Board of Directors shall be notified in advance of the coming meeting of the Board of Directors. The notice shall contain the agenda of the coming meeting.

34.7. A quorum for holding the meetings of the Board of Directors of the Company shall be equal to ½ (a half) of the elected members of the Board of Directors. If the quantity of the members of the Board of Directors of the Company becomes less than the quantity equal to the above said quorum, the Board of Directors of the Company shall be obliged to adopt the resolution on holding the extraordinary General Meeting of Shareholders for election of a new membership of the Board of Directors of the Company. In such case, the powers of the Board of Directors of the Company shall be terminated, except for the powers related to preparation, convocation and holding of the extraordinary General Meeting of Shareholders.

34.8. At resolving the issues at a meeting of the Board of Directors of the Company each member of the Board of Directors shall have 1 (one) vote.

34.9. When approving the terms of contracts with the President and (or) the members of the Management Board of the Company, the votes of the members of the Board of Directors that are at the same time the President and/or the members of the Management Board of the Company shall not be counted.

34.10. Unless otherwise provided for by the law and these Articles of Association, a resolution of the Board of Directors shall be deemed adopted if more than a half of the members of the Board of Directors participating in the meeting of the Board of Directors of the Company have voted for such resolution. In case of equality of the votes of the members of the Board of Directors, Chairman of the Board of Directors shall have the casting vote.

34.11. A written opinion of a member of the Board of Directors absent from a meeting of the Board of Directors shall be taken into account for the purposes of determination of presence of a quorum and the results of voting on the issues on the agenda of the meeting. A written opinion of a member of the Board of Directors shall be attached to the Minutes of the Meeting.

34.12. In the cases provided for by Federal Law On Joint-Stock Companies the votes of retired members of the Board of Directors of the Company shall not be taken into account at voting on the specified issues.

34.13. Transfer of the right of vote by one member of the Board of Directors of the Company to any other member of the Board of Directors of the Company shall not be permissible.

34.14. The right of the casting vote belonging to Chairman of the Board of Directors of the Company may not be exercised by deputy Chairman of the Board of Directors or by any other member of the Board of Directors performing the functions of Chairman of the Board of Directors in the absence of the latter.

34.15. The Minutes of the Meeting of the Board of Directors shall be kept by Secretary of the Board of Directors. The Minutes of the Meeting of the Board of Directors of the Company shall be drawn up within 3 (three) days from the date of the meeting. The Minutes of the Meeting of the Board of Directors of the Company shall be signed by the person having chaired the meeting. The documents approved by the Board of Directors shall be attached to the Minutes.

34.16. In order to give proper respect to the Company's preparation and holding of the General Meeting of Shareholders, ensuring the business of the Board of Directors and Committees of the Board of Directors, coordinating the work of the Company's management bodies, the Board of Directors shall appoint the Corporate Secretary of the Company. The Corporate Secretary shall ensure compliance of the Company's management bodies and officers with the procedural requirements established by the legislation of the Russian Federation, the Articles of Association and internal documents of the Company that guarantee the enforcement of the rights and interests of the Company's shareholders, assist the Company's management bodies and officers in the implementation of these procedural requirements, organize cooperation between the Company's shareholders, Board of Directors, officers and other related participants in corporate relations. The Corporate Secretary shall promote confidence in the Company on the part of shareholders, potential investors, business partners and other related participants in corporate relations. The requirements to the candidate of the Corporate Secretary of the Company, and the rights and duties of the Corporate Secretary shall be determined by the Company's internal document approved by the Company's Board of Directors.

34.17. Additional requirements on the procedure for convocation and holding of the meetings of the Board of Directors of the Company shall be established by the legislation of the Russian Federation, the Regulation on the Board of Directors and other internal documents of the Company approved by a resolution of the General Meeting of Shareholders of the Company.

## 35. EXECUTIVE BODIES OF THE COMPANY

35.1. The executive bodies of the Company shall be the collegial executive body - the Management Board, and the sole executive body - President.

35.2. The executive bodies shall effect management of the Company's day-to-day activity and shall be accountable to the Board of Directors and the General Meeting of Shareholders.

35.3. The competence of the executive bodies of the Company shall include resolving any issues of the Company's day-to-day activity, except for the issues falling within the competence of the General Meeting of Shareholders and the Board of Directors of the Company.

35.4. The executive bodies of the Company shall be formed by the Board of Directors of the Company.

35.5. The rights and obligations of the executive bodies shall be regulated by the legislation of the Russian Federation, these Articles of Association and the Company's internal documents.

35.6. The executive bodies of the Company shall organize the Company's activity, shall be responsible for its results and shall ensure implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors.

35.7. The executive bodies of the Company shall be responsible for effective economic, financial, scientific and technological and social policy of the Company.

35.8. Simultaneous holding by President and the members of the Management Board of positions in management bodies of other organizations shall be permissible only on consent of the Board of Directors of the Company.

35.9. The Board of Directors of the Company shall have the right to adopt at any time the resolution on early termination of the powers of President and on termination of the powers of any member of the Management Board or all the members of the Management Board and on formation of new executive bodies of the Company.

35.10. If the functions of the sole executive body are performed by a management organization (manager), such management organization (manager) shall have no right to perform similar functions in an organization competing with the Company.

35.11. If the functions of the sole executive body are performed by a management organization (manager), such management organization (manager) shall have a high business reputation and a recognized experience in the management of large-scale industrial companies.

36. MANAGEMENT BOARD OF THE COMPANY

36.1. The Management Board, acting within its competence established by these Articles of Association, resolutions of the General Meetings of Shareholders, the Board of Directors and the Company's internal documents approved by the General Meetings of Shareholders, shall resolve the following issues:

(1) coordination of the Company's activity concerning the issues of interaction with SAC;
(2) consideration of the results of the activity of SAC and the Company's organizational units;
(3) preliminary consideration of major innovative and investments projects and programmes being implemented by the Company and its SAC, which are submitted to the Management Board for consideration by the above said companies;
(4) preparation of proposals to the Board of Directors of the Company on approval of the Company's budget and financial and economic plan and on making amendments to the Company's previously approved budget;
(5) preliminary consideration and submission to the Board of Directors for approval of a transaction or a number of interrelated transactions in respect of property the value of which is equal to or exceeds the equivalent of 100,000,000 (One hundred million) US Dollars in any currency at the rate of the Bank of Russia as at the business day preceding the date of such approval of the transaction, but not less than 25% (twenty-five percent) of the book value of the Company's assets, determined on the basis of the Company's accounting statements as at the latest reporting date;
(6) approval and implementation of the programmes for attracting investments by the Company;
(7) approval of internal documents submitted to the Management Board for consideration by decision of President of the Company;
(8) participation in resolving labour conflicts and appointment of the representative on the part of the Company's administration to settle out of court the disputes that have arisen;
(9) adoption of resolutions in relation to SAC in accordance with the procedure established in Sub-Clause 33.2(32) of these Articles of Association;
(10) consideration of other issues of the Company's day-to-day activity. President of the Company shall have the right to submit to the Management Board for consideration any issues of the Company's day-to-day activity not falling within the competence of the General Meeting of Shareholders or the Board of Directors of the Company.

36.2. The personal membership of the Management Board shall be approved by the Board of Directors at the suggestion of President of the Company for a period of 3 (three) years. The members of the Management Board may be re-elected without limitation of times.

36.3. The contract with a member of the Management Board shall be signed in the name of the Company by Chairman of the Board of Directors or by the person duly authorized by the Board of Directors. The terms of such contract shall be approved by the Board of Directors of the Company. Special features of labour regulation established by Chapter 43 of the Labour Code of the Russian Federation shall be applicable to the members of the Management Board of the Company having concluded employment contracts with the Company.

36.4. The Board of Directors shall have the right to terminate at any time the powers of any member of the Management Board.

36.5. In case of termination of the powers of a member of the Management Board, such member of the Management Board shall be obliged to submit to the Board of Directors of the Company a report on his work within the time limit determined in the contract.

36.6. The Management Board shall conduct its activity by way of holding meetings and adopting resolutions. The meetings of the Management Board shall be held in accordance with the plan of work of the Management Board.

36.7. The agenda of a regular meeting of the Management Board shall be determined on the basis of the plan of work of the Management Board and proposals from Chairman and members of the Management Board. The meetings of the Management Board shall be held only in presentia. A written opinion of a member of the Management Board absent from a meeting shall be taken into account for the purposes of determination of presence of a quorum and the results of voting on the issues on the agenda of the meeting.

36.8. The Management Board shall be competent to adopt resolutions (has a quorum) if at least a half of the members of the Management Board attends a meeting. If the quantity of the members of the Management Board becomes less than the quantity equal to the above said quorum, the Board of Directors shall be obliged to adopt the resolution on forming a new membership of the Management Board.

36.9. Resolutions on the issues of the agenda of a meeting of the Management Board shall be adopted by a simple majority of the votes of the participants in the meeting. In case of equality of votes, Chairman of the Management Board shall have the casting vote.

36.10. In case of disagreement with an adopted resolution, a member of the Management Board may request attachment to the minutes of the meeting of the Management Board of his dissenting opinion, which shall be submitted in writing to Secretary of the Management Board within 2 (two) days from the date of holding the meeting of the Management Board.

36.11. The members of the Management Board shall act within the competence determined by these Articles of Association, the Company's internal documents, resolutions of the General Meeting of Shareholders, the Board of Directors and / or on the ground of powers of attorney.

## 37. PRESIDENT OF THE COMPANY

37.1. President of the Company shall be vested with any powers necessary for effecting operational management of the Company's day-to-day activity and resolving the related issues not falling within the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

37.2. President shall present the opinion of the executive bodies at the meetings of the Board of Directors and the General Meetings of Shareholders.

37.3. President shall head the Management Board of the Company (shall be Chairman of the Management Board of the Company) and shall organize the work thereof.

37.4. President shall act in the name of the Company without a power of attorney and shall represent the Company's interests in relations with any persons on any body of issues, including representation and protection of the Company's interests before state authorities, the court, the arbitration court and the court of referees.

37.5. In particular, President shall, acting within his competence:

(1) dispose of the Company's property and funds in the interests and in the name of the Company;

(2) perform in the name of the Company any transactions in the Russian Federation and abroad, except for the cases provided for by the legislation and these Articles of Association;

(3) approve the Company's manning table, hire and discharge the Company's employees in accordance with the legislation of the Russian Federation, approve the internal work regulations of the Company and establish the labour remuneration systems, reward distinguished employees and impose disciplinary sanctions;

(4) organize financial and tax accounting and reporting, ensure safety of accounting documents, accounting ledgers and accounting statements;

(5) take measures to ensure safety of business information and confidential information related to the Company;

(6) grant powers of attorney for performance of any actions in the name of the Company, including with the right of sub-delegation;

(7) issue orders, approve the Company's internal documents regulating financial and economic activity of the Company and activity of the Company's organizational units, and other internal documents except for those approval of which falls within the competence of the General Meeting of Shareholders or the Board of Directors;

(8) submit at his discretion to the Management Board of the Company the documents specified in Sub-Clause 36.1(7) of these Articles of Association for consideration;

(9) establish the directions of the insurance coverage policy;

(10) define the Company's purchasing policy;

(11) exercise other powers necessary for operational management of the Company's day-to-day activity.

37.6. Acting within his powers, President shall issue orders and give verbal directions binding upon all the employees of the Company.

37.7. President shall be appointed to the office by the Board of Directors of the Company for a period of 3 (three) years.

37.8. The employment contract with President shall be signed in the name of the Company by Chairman of the Board of Directors of the Company or by the person duly authorized by the

Board of Directors. The terms of such contract shall be approved by the Board of Directors of the Company.

37.9. At performing the functions imposed on him, President of the Company shall be governed by the legislation of the Russian Federation, the provisions of these Articles of Association and the Company's internal documents.

37.10. President of the Company shall be responsible for establishment of conditions for protecting state secret in the Company and shall be liable for non-compliance with the restrictions imposed by the legislation of the Russian Federation on familiarization with the data constituting state secret.

# SECTION VI. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITY OF THE COMPANY

## 38. EXTERNAL AUDITOR OF THE COMPANY

38.1. The General Meeting of Shareholders shall approve on an annual basis the Company's External Auditor to audit and verify the Company's annual financial statements.

38.2. The procedure for organization and carrying out of the audit of the Company's financial and economic activity by the External Auditor shall be determined by the terms of the contract concluded therewith.

## 39. AUDIT COMMITTEE OF THE COMPANY

39.1. Control over the financial and economic activity of the Company shall be exercised by the Audit Committee of the Company (hereinafter also referred to as "Committee"), consisting of 5 (five) members.

39.2. The activity of the Audit Committee shall be regulated by the legislation of the Russian Federation, these Articles of Association and the Regulation on the Audit Committee of the Company, approved in accordance therewith.

39.3. The members of the Audit Committee shall be elected at the annual General Meeting of Shareholders in accordance with the procedure established by the Articles of Association of the Company for a period until the following annual General Meeting of Shareholders by a simple majority of the votes out of the candidacies nominated in accordance with the established procedure by shareholders holding 2 percent or more of the Company's voting shares. The members of the Audit Committee may be re-elected for the following period. The powers of all the members of the Committee or any of them may be terminated before expiration by resolution of the General Meeting of Shareholders adopted by a simple majority of the votes if grounds exist for such termination.

39.4. Management of the Committee's activity shall be effected by Chairman elected at the first meeting of the Committee.

39.5. The audits shall be carried out by the Audit Committee on its own initiative, on instruction from the General Meeting of Shareholders or the Board of Directors, or at the request from shareholders holding in the aggregate at least 10% (ten percent) of the Company's voting shares. Scheduled audits shall be carried out not less than once a year. When carrying out an audit, the members of the Audit Committee shall have the right to demand from the Company's officers provision of all the necessary documents and personal explanations. The Audit Committee shall submit the results of the audits to the General Meeting of Shareholders and the Board of Directors of the Company.

39.6. The Company's Annual Report and annual accounting statements shall be submitted to the General Meeting of Shareholders only with the Audit Committee's report containing the conclusions on their reliability.

39.7. The results of documentary inspections and audits carried out by the Audit Committee shall be formalized by the protocols signed by Chairman and the members of the Audit Committee having carried out the inspection, and shall be discussed at the meetings of the Committee. The protocols of inspections and audits and the Audit Committee's Reports on the Company's Annual Report and annual accounting statements shall be submitted to the Board of Directors.

39.8. If need be, the Audit Committee shall have the right to engage experts and independent audit firms on a contractual basis. In such cases, additional expenses shall be approved by the Board of Directors. The budget of the Committee's expenses shall be agreed upon with the Board of

Directors. The Audit Committee shall have the right to engage for its work the Company's employees provided that the Company's standard operating process is not impeded thereby.

39.9. The members of the Audit Committee may receive remuneration and (or) reimbursement in connection with performance thereby of their functions. The amount of such remuneration and (or) reimbursement shall be determined by a resolution of the General Meeting of Shareholders on recommendation from the Board of Directors. President of the Company shall be responsible for technical and material support to activity of the Audit Committee.

39.10. The competence of the Audit Committee shall include the following:

(1) carrying out document audits of the Company's financial and economic activity (by way of comprehensive or selective audit) and its trade, settlements, currency and other operations;

(2) verification of observance of the established budgets, standards and limits;

(3) verification of timeliness and correctness of payments to suppliers of products and services, payments to the budget, accrual and payment of dividends, and performance of other obligations;

(4) verification of observance by the Company and its management bodies of regulatory legal acts and resolutions of the General Meeting of Shareholders and the Board of Directors;

(5) verification of reliability of operational, accounting and statistical records and reporting in the Company;

(6) verification of the status of the Company's cashier's office and property;

(7) verification of observance of the rules of records management and financial documentation storage;

(8) verification of implementation of recommendations on the results of previous inspections and audits.

39.11. The members of the Audit Committee shall have the right to participate in the meetings of the Board of Directors with the right of advisory vote when the reports from the Audit Committee are discussed.

39.12. The members of the Audit Committee shall be held liable in accordance with the procedure provided for by the legislation of the Russian Federation for negligent performance of their duties.

39.13. Additional requirements on the procedure for organization of the Audit Committee's work shall be determined by the Regulation on the Audit Committee of the Company.

APPENDIX A
TO THE ARTICLES OF ASSOCIATION OF JSOC BASHNEFT

## BRANCH OFFICES
## OF JOINT STOCK OIL COMPANY BASHNEFT

### THE LIST OF THE COMPANY'S BRANCH OFFICES:

| Name of the branch office | Address of the branch office |
|---|---|
| 1. Full trade name: Bashneft-UNPZ, Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Bashneft-UNPZ, Branch Office of JSOC Bashneft | 74 Ulyanovykh Str., the city of Ufa, the Republic of Bashkortostan 450029, the Russian Federation |
| 2. Full trade name: Bashneft-Novoil, Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Bashneft-Novoil, Branch Office of JSOC Bashneft | Ufa-37, the Republic of Bashkortostan 450037, Russian Federation |
| 3. Full trade name: Bashneft-Ufaneftekhim, Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Bashneft-Ufaneftekhim, Branch Office of JSOC Bashneft | Ufa-45, the Republic of Bashkortostan 450045, Russian Federation |
| 4. Full trade name: Bashneft-Bashkirnefteprodukt, Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Bashneft- Bashkirnefteprodukt, Branch Office of JSOC Bashneft | Ufa-37, the Republic of Bashkortostan 450037, Russian Federation |
| 5. Full trade name: Bashneft-Orenburgnefteprodukt, Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Bashneft-Orenburgnefteprodukt, Branch Office of JSOC Bashneft | 43a Chkalova Str., Orenburg 460001, Orenburg Region |
| 6. Full trade name: Moscow Branch Office of Joint Stock Oil Company Bashneft<br>Abbreviated trade name: Moscow Branch Office of JSOC Bashneft | 5 1st Tverskaya-Yamskaya Str., Moscow 125047, Russian Federation |



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**City of Ufa**

**38 (thirty) sheets are bound, numbered and sealed in total**
**President of JSOC Bashneft**
*(signature)*/ **A.L. Korsik /**

**Seal:**
City of Ufa, Republic of Bashkortostan, Russian Federation
Joint Stock Oil Company Bashneft
Taxpayer's Identification No. 0274051582

38 (thirty) sheets are bound, numbered and sealed in total.
Interdistrict Inspection of Federal Tax Service of Russia Nr. 39 of Bashkortostan Republic
Name of interim acting of the head of department: Ziganshina S.M.
21.02.2013

**Seal:** (illegible)

**Stamp:**
City of Moscow, Russian Federation
This fourteenth day of February two thousand thirteen, I, Nikita Viktorovich SHLEIN, Notary of Moscow, do hereby certify that this is a true copy of copy of the original document. The presented copy does not contain any erasures, additions, crossed out words or other amendments or peculiarities.
Registration No. _1K-760_
Fee paid: _500 rub._
For legal and draft work:
In according with Articles 15, 23 of the Fundamentals of Legislation of the Russian Federation On Notary Activities
Total: _500 rub._
Notary *(signature)*

**Seal:**
Notary N.V. Shlein
City of Moscow

**Stamp:**
39 (thirty-nine) sheets are bound, numbered and sealed in total
Notary *(signature)*

**Seal:**
Notary N.V. Shlein
City of Moscow

*Перевод с русского языка на английский язык выполнил переводчик Ощепкова Ольга Валериевна*

Ощепкова Ольга Валериевна

**Город Москва.**

Восемнадцатого февраля две тысячи тринадцатого года.

Я, Шлеин Никита Викторович, нотариус города Москвы свидетельствую подлинность подписи, сделанной переводчиком Ощепковой Ольгой Валериевной в моем присутстви
Личность ее установлена.

Зарегистрировано в реестре за № 1п-1175

Взыскано по тарифу: 200-00 руб.

Нотариус:

Всего прошнуровано, пронумерован
и скреплено печатью 78
(семьдесят восемь) листо

Нотариус

*Я, Рябый Р.Е., начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации, удостоверяю подлинность подписи*

*Шлеина Никиты Викторовича,*

*нотариуса города Москвы,*

*уполномоченного на совершение нотариальных действий, и подлинность оттиска гербовой печати данного нотариуса.*

*Начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации* — *Р.Е. Рябый*

*г. Москва*

*№ 1307*

*«19» февраля 2013г.*

002514

Консульский департамент
Министерства иностранных дел России
удостоверяет подлинность
предстоящей подписи
06 фев 2013 20 г.
Начальник отдела Консульского департамента
МИД России

/ Марков Р.Ф. /

Министерство иностранных дел России Консульский департамент Л-2

NO. 21/2013

Certified that the seal and signature of the Consular Officer of the Ministry of Foreign Affairs are real and authentic. The Embassy of the Republic of the Union of Myanmar in Moscow assumes no responsibility for the contents of the documents.

14/03/2013

TIN MAUNG WINN
FIRST SECRETARY

14. 03. 2013

*Пронумеровано, прошнуровано и скреплено печатью*

семьдесят девять *лист(-а,ов).*

*Начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации*

*Р.Е. Рябый*

*Translated from Russian*

**COPY**

# Bashneft Group

**Consolidated financial statements**
**for the year ended 31 December 2011**

# BASHNEFT GROUP

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BASHNEFT GROUP

## STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The following statement, which should be read in conjunction with the independent auditors' report set out on page 2, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the consolidated financial statements of Joint Stock Oil Company Bashneft (the "Company"), its subsidiaries and its special purpose entities (the "Group").

Management is responsible for the preparation of consolidated financial statements that present fairly in all material respects the consolidated financial position of the Group as at 31 December 2011, its financial performance, cash flows and changes in equity for the year then ended, in accordance with the International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether IFRS have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation and accounting standards in the Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The consolidated financial statements for the year ended 31 December 2011 were approved by:

A.L. Korsik
President

A.Y. Lisovenko
Chief Accountant

Ufa, Russian Federation
16 April 2012

Deloitte

ZAO "Deloitte & Touche CIS"
5 Lesnaya Street
Moscow, 125047
Russia

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Fax: +7 (495) 787 06 01
www.deloitte.ru

## REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of Joint Stock Oil Company Bashneft:

We have audited the accompanying consolidated financial statements of Joint Stock Oil Company Bashneft, its subsidiaries and its special purpose entities (the "Group") which comprise the consolidated statement of financial position at 31 December 2011, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Moscow, Russian Federation
16 April 2012

## BASHNEFT GROUP

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

*Millions of US Dollars*

| | Notes | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|---|
| CONTINUING OPERATIONS | | | |
| Revenue | 6 | 16,549 | 11,707 |
| Export tariffs and excise | | (4,231) | (2,753) |
| Cost of purchased crude oil, gas and petroleum products | | (3,994) | (2,882) |
| Taxes other than income tax | 8 | (2,052) | (1,347) |
| Production and operating expenses | | (1,684) | (1,436) |
| Transportation expenses | | (788) | (538) |
| Depletion and depreciation | | (616) | (597) |
| Selling, general and administrative expenses | | (495) | (374) |
| Exploration expenses | | (16) | (9) |
| Gain on reclassification of available-for-sale investment to investment in associate | 12 | - | 477 |
| Other operating expenses, net | | (97) | (113) |
| **Operating profit** | | **2,576** | **2,135** |
| Finance income | 9 | 74 | 67 |
| Finance costs | 9 | (508) | (356) |
| Foreign exchange loss, net | | (13) | (2) |
| Share of profit of associates, net of income tax | 12 | 75 | 36 |
| **Profit before income tax** | | **2,204** | **1,880** |
| Income tax | 10 | (513) | (426) |
| **Profit for the year from continuing operations** | | **1,691** | **1,454** |
| DISCONTINUED OPERATIONS | | | |
| Profit for the year from discontinued operations | 18 | 124 | 92 |
| **Profit for the year** | | **1,815** | **1,546** |
| Attributable to: | | | |
| Owners of the Company | | 1,696 | 1,429 |
| Non-controlling interests | | 119 | 117 |
| | | **1,815** | **1,546** |
| EARNINGS PER SHARE | | | |
| Weighted average number of ordinary shares in issue during the year | 19 | 152,275,527 | 162,295,807 |
| **From continuing and discontinued operations** | | | |
| Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share) | | 9.07 | 7.26 |
| **From continuing operations** | | | |
| Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share) | | 8.84 | 7.07 |
| OTHER COMPREHENSIVE LOSS | | | |
| Effect of translation to presentation currency | | (231) | (93) |
| **Other comprehensive loss for the year, net of income tax** | | **(231)** | **(93)** |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | **1,584** | **1,453** |
| Attributable to: | | | |
| Owners of the Company | | 1,403 | 1,356 |
| Non-controlling interests | | 181 | 97 |
| | | **1,584** | **1,453** |

*The accompanying notes on pages 8-51 form an integral part of these consolidated financial statements.*

# BASHNEFT GROUP

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011
*Millions of US Dollars*

| | Notes | 31 December 2011 | 31 December 2010 |
|---|---|---|---|
| **ASSETS** | | | |
| ***Non-current assets*** | | | |
| Property, plant and equipment | 11 | 7,882 | 9,552 |
| Advances paid for acquisition of property, plant and equipment | | 51 | 120 |
| Advance payment for acquisition of license for Trebs and Titov deposit | | - | 597 |
| Intangible assets | | 47 | 33 |
| Financial assets | 13 | 321 | 217 |
| Investments in associates and joint ventures | 12 | 938 | 667 |
| Long-term inventories | 14 | 62 | 50 |
| Other non-current assets | 15 | 3 | 3 |
| | | **9,304** | **11,239** |
| ***Current assets*** | | | |
| Inventories | 14 | 748 | 625 |
| Financial assets | 13 | 1,073 | 676 |
| Trade and other receivables | 16 | 509 | 523 |
| Advances to suppliers and prepaid expenses | | 158 | 157 |
| Income tax prepaid | | 13 | 11 |
| Other taxes receivable | 23 | 886 | 685 |
| Cash and cash equivalents | 17 | 881 | 1,067 |
| Other current assets | | 1 | 8 |
| | | **4,269** | **3,752** |
| **TOTAL ASSETS** | | **13,573** | **14,991** |
| **EQUITY AND LIABILITIES** | | | |
| ***Capital and reserves*** | | | |
| Share capital | 19 | 77 | 77 |
| Treasury shares | 4 | (464) | (252) |
| Additional paid-in capital | | 1,160 | 1,160 |
| Foreign currency translation reserve | | (575) | (155) |
| Retained earnings | | 5,412 | 4,445 |
| **Equity attributable to owners of the Company** | | **5,610** | **5,275** |
| Non-controlling interests | | 1,438 | 2,717 |
| | | **7,048** | **7,992** |
| ***Non-current liabilities*** | | | |
| Borrowings | 20 | 2,965 | 3,118 |
| Decommissioning provision | 11 | 295 | 217 |
| Deferred tax liabilities | 10 | 947 | 1,099 |
| Other non-current liabilities | 21 | 24 | 49 |
| | | **4,231** | **4,483** |
| ***Current liabilities*** | | | |
| Borrowings | 20 | 420 | 795 |
| Trade and other payables | 22 | 726 | 659 |
| Dividends payable | | 8 | 73 |
| Advances received | | 531 | 553 |
| Provisions | 24 | 101 | 97 |
| Income tax payable | | 42 | 21 |
| Other taxes payable | 23 | 466 | 318 |
| | | **2,294** | **2,516** |
| **TOTAL LIABILITIES** | | **6,525** | **6,999** |
| **TOTAL EQUITY AND LIABILITIES** | | **13,573** | **14,991** |

*The accompanying notes on pages 8-51 form an integral part of these consolidated financial statements.*

BASHNEFT GROUP

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

*Millions of US Dollars*

| | Notes | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|---|
| OPERATING ACTIVITIES | | | |
| **Profit before income tax from continuing and discontinued operations** | | **2,358** | **2,014** |
| Adjustments for[1]: | | | |
| Depletion and depreciation | | 655 | 711 |
| Loss on disposal of property, plant and equipment | | 41 | 66 |
| Interest income | | (57) | (67) |
| Finance costs | | 509 | 357 |
| Dividends income | | (17) | - |
| Gain on disposal of subsidiaries | | (40) | - |
| Share of profit of associates | | (75) | (36) |
| Impairment loss recognised on trade and other receivables | | 41 | 27 |
| Revaluation of previously held share in associate | 4 | 17 | - |
| Gain on reclassification of available-for-sale investment to investment in associate | 12 | - | (477) |
| Impairment of investment in associate | | - | 17 |
| Foreign exchange loss, net | | 4 | 2 |
| Change in other provisions and allowances | | 28 | 23 |
| Other | | (6) | 10 |
| **Operating cash flows before working capital changes** | | **3,458** | **2,647** |
| Movements in working capital: | | | |
| Inventories | | (164) | (236) |
| Trade and other receivables | | (213) | (335) |
| Advances to suppliers and prepaid expenses | | (17) | (62) |
| Other taxes receivable | | (325) | (263) |
| Trade and other payables | | 142 | 232 |
| Advances received | | 52 | 213 |
| Other taxes payable | | 261 | (80) |
| **Cash generated from operations** | | **3,194** | **2,116** |
| Interest paid | | (472) | (312) |
| Income tax paid | | (494) | (404) |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | **2,228** | **1,400** |

[1] Adjustments are presented for continuing and discontinued operations on a combined basis.

*The accompanying notes on pages 8-51 form an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

*Millions of US Dollars*

| | Notes | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|---|
| **INVESTING ACTIVITIES** | | | |
| Payments for acquisition of property, plant and equipment | | (851) | (492) |
| Advance payment for acquisition of license for Trebs and Titov deposit | | - | (597) |
| Proceeds from disposal of property, plant and equipment | | 64 | 10 |
| Payment for acquisition of associate | 12 | - | (123) |
| Acquisition of subsidiaries, net of cash acquired | 4 | (143) | - |
| Proceeds from disposal of subsidiaries net of cash disposed | | 3 | - |
| Cash inflows on disposal of 25.1% share in LLC Bashneft-Polyus, net | 12 | 42 | - |
| Payments for acquisition of intangible assets | | (20) | (32) |
| Payments for acquisition of financial assets | | (153) | (2,326) |
| Proceeds from disposal of financial assets | | 17 | 1,510 |
| Dividends received | | 17 | - |
| Interest received | | 16 | 55 |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(1,008)** | **(1,995)** |
| **FINANCING ACTIVITIES** | | | |
| Payment for acquisition of Sistema-invest, net of cash acquired | | - | (201) |
| Payments for acquisition of non-controlling interests | | - | (142) |
| Proceeds from borrowings | | 3,779 | 3,044 |
| Repayments of borrowings | | (4,180) | (899) |
| Change of classification of investment in Bashkirenergo | 18 | (32) | - |
| Dividends paid by the Company | | (948) | (1,290) |
| Dividends paid by subsidiaries | | (2) | (24) |
| **NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES** | | **(1,383)** | **488** |
| **Net decrease in cash and cash equivalents** | | **(163)** | **(107)** |
| **Cash and cash equivalents at beginning of the year** | 17 | **1,067** | **1,166** |
| Effect of translating reporting currency to presentation currency and exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | | (23) | 8 |
| **Cash and cash equivalents at end of the year** | 17 | **881** | **1,067** |

*The accompanying notes on pages 8-51 form an integral part of these consolidated financial statements.*

BASHNEFT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011
*Millions of US Dollars*

| | Notes | Share capital | Treasury shares | Additional paid-in capital | Foreign currency translation reserve | Retained earnings | Equity attributable to owners of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2010** | | 77 | - | 1,170 | (104) | 4,162 | 5,305 | 3,135 | 8,440 |
| Profit for the year | | - | - | - | - | 1,429 | 1,429 | 117 | 1,546 |
| Other comprehensive loss for the year | | - | - | - | (73) | - | (73) | (20) | (93) |
| **Total comprehensive (loss)/income for the year** | | - | - | - | (73) | 1,429 | 1,356 | 97 | 1,453 |
| Acquisition of interest in Sistema-invest | 4 | - | (252) | - | - | 163 | (89) | (307) | (396) |
| Dividends to equity holders | | - | - | - | 22 | (1,360) | (1,338) | (23) | (1,361) |
| Acquisition of additional interests in subsidiaries | 4 | - | - | - | - | 49 | 49 | (178) | (129) |
| Other equity transactions | | - | - | (10) | - | 2 | (8) | (7) | (15) |
| **Balance at 31 December 2010** | | 77 | (252) | 1,160 | (155) | 4,445 | 5,275 | 2,717 | 7,992 |
| Profit for the year | | - | - | - | - | 1,696 | 1,696 | 119 | 1,815 |
| Other comprehensive (loss)/income for the year | | - | - | - | (293) | - | (293) | 62 | (231) |
| **Total comprehensive (loss)/income for the year** | | - | - | - | (293) | 1,696 | 1,403 | 181 | 1,584 |
| Result from disposal of Bashkirenergo in exchange of additional interest in Sistema-Invest | 4,18 | - | (212) | - | (127) | 169 | (170) | (1,499) | (1,669) |
| Non-controlling interests arising on acquisition and establishment of subsidiaries | | - | - | - | - | - | - | 10 | 10 |
| Dividends to equity holders | | - | - | - | - | (898) | (898) | (2) | (900) |
| Disposal of special purpose entities | | - | - | - | - | - | - | 31 | 31 |
| **Balance at 31 December 2011** | | 77 | (464) | 1,160 | (575) | 5,412 | 5,610 | 1,438 | 7,048 |

*The accompanying notes on pages 8-51 form an integral part of these consolidated financial statements.*

## 1. GENERAL INFORMATION

### Organisation and operations

Joint Stock Oil Company Bashneft (the "Company" or "Bashneft"), its subsidiaries and special purpose entities (together referred to as the "Group" or the "Bashneft Group") are primarily involved in oil production, refining, marketing and distribution of petroleum products in the Russian Federation. Bashneft is the parent company of a vertically integrated group of oil and gas companies.

The Company was incorporated as an open joint stock company on 13 January 1995, following the privatisation of Bashkir Petrochemical Enterprise ("Bashneftekombinat"). The Company's registered office is located at 30 Karl Marx Street, Ufa, 450008, Russian Federation.

JSFC "Sistema" is a parent company of the Group. The controlling shareholder of JSFC "Sistema" and the ultimate controlling party of Bashneft Group is Mr. Vladimir P. Evtushenkov.

The Group's oil production, refining, marketing and distribution base includes 166 oilfields, 4 refineries and 485 petrol stations.

The following principal subsidiaries incorporated in the Russian Federation were included in the scope of consolidation at 31 December 2011 and 2010:

| | | Group's effective interest | |
|---|---|---|---|
| Company | Principal activities | 31 December 2011 | 31 December 2010 |
| OJSC Ufimsky refinery plant | Crude oil processing | 66% | 63% |
| OJSC Novoil | Crude oil processing | 72% | 69% |
| OJSC Ufaneftekhim | Crude oil processing | 63% | 60% |
| OJSC Ufaorgsintez | Production of petrochemicals | 66% | 63% |
| OJSC Bashkirenergo | Electricity and heat generation | n/a | 35% |
| OJSC Bashkirnefteproduct | Petroleum products trading | 64% | 62% |
| LLC Bashneft-Dobycha | Production of crude oil and gas | 100% | 100% |
| LLC Bashneft-Bureniye | Construction services | 100% | 100% |
| OJSC Orenburgnefteproduct | Petroleum products trading | 94% | n/a |
| LLC BN-Nefteproduct | Petroleum products trading | 100% | n/a |

At 31 December 2011, the Group had 31 special purpose entities ("SPEs") (31 December 2010: 93 SPEs) which were established to provide supporting services to the Company and its subsidiaries engaged in the production and refining of crude oil, and which have been consolidated.

### Going concern

In assessing its going concern status, the Group has taken into account its financial position, anticipated future trading performance, its borrowings and other facilities and its capital expenditure commitments and plans, together with other risks facing the Group. After making appropriate enquires, the Group considers that it has adequate resources to continue in operational existence for at least the next 12 months from the date of this document and that it's appropriate to adopt the going concern basis in the preparing these consolidated financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

### Standards and interpretations effective in the current year

In the preparation of these consolidated financial statements the Group has adopted all new and revised International Financial Reporting Standards and Interpretations issued by International Financial Reporting Committee ("IFRIC") that are mandatory for adoption in annual periods beginning on 1 January 2011.

Adoption of these standards and interpritations detailed below did not have any impact on the accounting policies, financial position or performance of the Group:

- IAS 1 Presentation of Financial Statements (amended);
- IAS 24 Related Party Disclosures (revised);
- IAS 27 Consolidated and Separate Financial Statements (amended);
- IAS 32 Financial Instruments: Presentation (amended);
- IFRS 1 First-time Adoption of International Financial Reporting Standards (amended);
- IFRS 3 Business Combinations (amended);
- IFRS 7 Financial instruments: Disclosures (amended);
- IFRIC 13 Customer Loyalty Programmes (amended);
- IFRIC 14 IAS 19: Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (amended);
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

**Standards and interpretations in issue but not yet effective**

At the date of authorisation of these consolidated financial statements, the following Standards and Interpretations were in issue but not yet effective:

| Standards and Interpretations | Effective for annual periods beginning on or after |
|---|---|
| IAS 1 Presentation of Financial Statements (amended) | 1 July 2012 |
| IAS 12 Income Taxes (amended) | 1 January 2012 |
| IAS 19 Employee Benefits (amended) | 1 January 2013 |
| IAS 27 Consolidated and Separate Financial Statements (amended) | 1 January 2013 |
| IAS 28 Investments in Associates (amended) | 1 January 2013 |
| IAS 32 Financial Instruments: Presentation (amended) | 1 January 2014 |
| IFRS 1 First-time Adoption of International Financial Reporting Standards (amended) | 1 July 2011 |
| IFRS 7 Financial Instruments: Disclosures (amended) | 1 July 2011 |
| IFRS 9 Financial Instruments | 1 January 2015 |
| IFRS 10 Consolidated Financial Statements | 1 January 2013 |
| IFRS 11 Joint Arrangements | 1 January 2013 |
| IFRS 12 Disclosure of Interests in Other Entities | 1 January 2013 |
| IFRS 13 Fair Value Measurement | 1 January 2013 |
| IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |

Management of the Group anticipates that all of the above standards and interpretations will be adopted in the Group's consolidated financial statements for the respective periods. The impact of adoption of those standards and interpretations on the consolidated financial statements of future periods is currently being assessed by management.

**Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for fair value of the Company's property, plant and equipment measured at the date of transition to IFRS.

**Functional and presentation currency**

The national currency of the Russian Federation is the Russian Rouble ("RUB"), which is the Group's functional currency as it reflects the economic substance of the Group's operations.

Management of the Group has selected the US Dollar ("USD") as presentation currency for the convenience of the shareholders and users of the consolidated financial statements.
All financial information presented in USD has been rounded to the nearest million.

The translation from functional currency into presentation currency is performed as follows:

- Assets and liabilities are expressed in USD using exchange rates prevailing at the end of the reporting period;
- Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuated significantly during that period, in which case the exchange rate at the dates of the transactions is used;
- Exchange differences, if any, are presented in the foreign currency translation reserve recognised as a separate component in other comprehensive income;
- All equity items are translated at their historical exchange rates; and
- In the consolidated statement of cash flows, cash balances at beginning and end of each period presented are translated at exchange rates at the respective dates. All cash flows are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rate at the dates of the transactions is used. Resulting exchange differences, if any, are presented as *Effect of translating reporting currency to presentation currency and exchange rate changes on the balance of cash and cash equivalents held in foreign currencies.*

**Basis of consolidation**

The consolidated financial statements incorporate financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses and any unrealised profits or losses are eliminated in full on consolidation.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

**Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of investments in an associate.

### Special purpose entities

Special purpose entities are those undertakings that are created to satisfy specific business needs of the Group and the Group has the right to the majority of the benefits of the SPEs, or is exposed to risks associated with the activities of the SPEs. SPEs are consolidated in the same manner as subsidiaries.

### Common control transactions

The assets and liabilities of subsidiaries acquired from entities under common control are recorded at the carrying values recognised by the transferor. Any difference between the carrying value of the net assets of subsidiaries acquired, and the consideration paid by the Group is accounted for as an adjustment to shareholders' equity. The net assets of the subsidiaries and their results are recognised prospectively from the date on which control of the subsidiaries was obtained.

The cost of assets acquired from entities under common control is measured as the carrying value of the asset given up by the transferor at the date of the transaction.

**Foreign currencies**

In preparing financial information of the individual entities, transactions in currencies other than the Russian Rouble are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**Property, plant and equipment**

***Recognition and measurement***

The Group has utilised the exemption available to first-time adopters under IFRS 1 with regard to determining the carrying value of property, plant and equipment at the transition date. Property, plant and equipment of the Company and its subsidiaries acquired or constructed before 1 January 2009 are recorded at amounts determined by an independent valuation at 1 January 2009. The basis of valuation was fair value. In some instances, when items of property plant and equipment are of a specialised nature, they were valued at depreciated replacement cost. For each item of property plant and equipment the replacement cost was estimated as the current cost to replace the assets with a functionally equivalent asset. The estimated replacement cost was adjusted for accrued depreciation, including physical depreciation and functional and economic obsolescence. The result of this valuation comprised deemed cost at 1 January 2009.

Items of property, plant and equipment acquired after 1 January 2009 are measured at historical acquisition or construction cost.

Oil and gas exploration and evaluation expenditures are accounted for using the "successful efforts" method of accounting separately by the fields. Costs are accumulated on a field-by-field basis. Geological and geophysical costs are expensed as incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition cost are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are recognised in profit or loss. Capitalisation is made within property, plant and equipment. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development assets. No depreciation or amortisation is recognised during the exploration and evaluation phase. Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within property, plant and equipment and intangible assets according to nature. When development is completed on a specific field, it is transferred to production or intangible assets. Extraction assets are aggregated exploration and evaluation tangible assets, and development expenditures associated with the production of proved reserves.

Property, plant and equipment include the initial estimate of the cost of conservation and liquidation of wells, pipelines, other oil and gas facilities and site restoration.

Construction cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs that are directly attributable to the acquisition or construction of assets, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of that asset.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

***Depletion and depreciation***

Property, plant and equipment related to oil production activities are depreciated using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Where individually insignificant, unproved oil and gas properties may be grouped and amortised based on factors such as the average concession term and past experience of recognising proved reserves. Acquisition costs of proved properties are depleted using the unit-of-production method based upon total proved reserves. For this purpose, the oil and gas reserves of the Group have been determined based on estimates of hydro-carbon reserves in accordance with internationally recognised definitions by internationally recognised petroleum engineers to the extent that the reserves will be extracted by the end of the expected useful life of the field reserves.

Assets which are not directly associated with oil production activities are depreciated on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of major classes of property, plant and equipment for the current year are as follows:

| | |
|---|---|
| Buildings and constructions | 2-100 years |
| Machinery and equipment | 2-39 years |
| Transport | 1-57 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimates being accounted for on a prospective basis.

**Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life for the software for the current year is two years. Amortisation methods and useful lives are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

**Investments in associates**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

**Interests in joint ventures**

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using the equity method of accounting whereby an interest in jointly controlled entities is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

**Impairment of tangible and intangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

Financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Financial assets of the Group are classified into the following specified categories: available-for-sale ("AFS") investments, held-to-maturity investments and loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the carrying amount on initial recognition.

***AFS financial assets***

Listed and unlisted shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value, except for investments in shares for which there are no available market quotations and whose fair value cannot be reliably measured, which are accounted at cost.

Fair value of AFS financial assets with standard terms and conditions and traded in active markets is determined with reference to quoted market prices.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the investment is derecognised, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss, except for derecognition due to transactions under common control, where the respective cumulative gain or loss is reclassified within the consolidated statement of changes in equity.

***Held-to-maturity investments***

Promissory notes and debentures with fixed or determinable payments and fixed maturity dates which the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost less impairment, if any. Interest income is recognised using the effective interest method.

***Loans and receivables***

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Equity securities classified as AFS, a significant and prolonged decline in the fair value of the securities below its costs is considered to be objective evidence of impairment.

For other financial assets objective evidence of impairment could include:

- Significant financial difficulty of the counterparty; or
- Default or delinquency in interest or principle payments; or
- It is becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity securities, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

***Derecognition of financial assets***

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial assets and substantially all the risk and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, current accounts and cash deposits with banks and highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

**Financial liabilities**

Financial liabilities of the Group are classified into the following specified categories: financial guarantee contract liabilities and other financial liabilities.

***Financial guarantee contract liabilities***

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out below.

***Other financial liabilities***

Other financial liabilities, including trade and other payables, loans and borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**Provisions and contingencies**

***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

***Contingencies***

Contingent liabilities are not recognised in the consolidated financial statements unless they arise as a result of a business combination. Contingencies attributable to specific events are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

**Decommissioning provision**

Decommissioning provision relates primarily to the conservation and liquidation of wells, pipelines, other oil and gas facilities and site restoration. Management estimates the obligation related to these costs based on internally generated engineering estimates, current statutory requirements and industry practices. Future decommissioning costs, discounted to net present value, are capitalised and a corresponding obligation is recognised as soon as a constructive obligation to incur such costs arises and the amount can be reliably estimated. The unwinding of the discount is recognised as finance cost. Oil and gas properties related to decommissioning are depreciated using the unit-of-production method based on proved developed reserves.

The adequacy of the decommissioning provision is periodically reviewed in the light of current laws and regulations, and adjustments are made as necessary. Changes in the estimated expenditure are reflected as an adjustment to the provision and the corresponding asset.

**Employee benefit obligations**

Remuneration to employees in respect of services rendered during the reporting period, including accrual for unused vacation and bonuses and related social taxes, is recognised as an expense in the period when it is earned.

***Defined contribution plan***

Subsidiaries registered in the Russian Federation are legally obliged to make defined contributions to the State Pension Fund. This defined contribution plan is financed on a pay-as-you-earn basis.

***Defined benefit plans***

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period and with immediate recognition of all actuarial gains and losses in the income statement. Past service cost is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

***Share-based payment arrangements***

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Cash received in advance from customers is not included in current year revenue, and is recognised within advances received.

*Sales of crude oil and petroleum products*

Revenue from the sales of crude oil and petroleum products ("goods") is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

*Rendering of services*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

*Construction contracts*

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

*Interest income*

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

*Dividend income*

Dividend income is recognised when the right to receive payment is established.

*Rental income*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time when the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Leasing – the Group as lessee**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see above). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**Income tax**

Income tax expense comprises current and deferred tax.

***Current tax***

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

***Deferred tax***

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or assets realised, based on tax rates that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Profit for the year attributable to owners of the Company is allocated between the Company's ordinary and preference shares based on the two-class method. Under the two-class method, profit for the year attributable to each class of share is allocated according to their participation rights in the undistributed earnings of the Company. Basic EPS is calculated by dividing profit or loss attributable to ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period adjusted for shares purchased by the Group and held as treasury shares. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities and recognised amounts of income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant areas requiring the use of management estimates and assumptions relate to:

- Control over SPEs;
- Classification of investment in LLC "Bashneft-Polyus" (refer to note 12);
- Useful economic lives of property, plant and equipment;
- Impairment of property, plant and equipment;
- Decommissioning provision;
- Allowances for doubtful receivables;
- Allowances for obsolete and slow-moving inventories;
- Legal contingencies; and
- Taxation.

**Control over special purpose entities**

Management judgement is involved in the assessment of control and the consolidation of certain SPEs in the Group's financial statements. The Group does not have any direct or indirect shareholdings in these SPEs and management periodically reviews the status of each of these entities.

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

**Classification of investment in LLC "Bashneft-Polyus"**

The Group holds 74.9% stake in LLC "Bashneft-Polyus" (refer to note 12). The sale of a 25.1% stake in 2011 involved a change in governing principles, which stipulate significant decision making powers of the second shareholder on the key operational and financial decisions and appointment of key management personnel of the entity. Management assesses absence of control over the entity from the Group and considers the control to be joint with the second shareholder, and therefore its stake as an investment in joint venture.

**Useful economic lives of property, plant and equipment**

The estimation of the useful life of an item of property, plant and equipment is a matter of management judgement based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage based on production and reserve estimates, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments to future depreciation rates.

Based on the terms included in the licences and past experience, management believes oil production licences will be extended past their current expiration dates at insignificant additional costs. Because of the anticipated licence extensions, the assets are depreciated over their useful lives beyond the end of the current licence term.

Other property, plant and equipment are depreciated on a straight-line basis over their useful economic lives. Management periodically, at the end of each reporting period, reviews the appropriateness of the assets useful economic lives and residual values. The review is based on the current condition of the assets, the estimated period during which they will continue to bring economic benefit to the Group and the estimated residual value.

**Impairment of property, plant and equipment**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets are impaired. In making the assessment for impairment, assets that do not generate independent cash flows are allocated to an appropriate cash-generating unit. Management necessarily applies its judgement in allocating assets that do not generate independent cash flows to appropriate cash-generating units, and also in estimating the timing and value of underlying cash flows within the value in use calculation. In determining the value in use calculation, future cash flows are estimated at each cash-generating unit based on a cash flows projection utilising the latest budgeted information available.

**Decommissioning provision**

The Group's oil and gas activities are subject to various laws and regulations governing the protection of the environment. The Group estimates environmental obligations based on management's understanding of the current legal requirements in the various jurisdictions, terms of the licence agreements and internally generated engineering estimates. Provision is made, based on net present values, for decommissioning costs as soon as the obligation arises. Actual costs incurred in future periods could differ materially from the amounts provided. Additionally, future changes to environmental laws and regulations, life of oil and gas reserves estimates and discount rates could affect the carrying amount of this provision.

**Allowances for doubtful receivables**

The Group creates an allowance for doubtful receivables to account for estimated losses resulting from the inability of customers to make required payments. When evaluating the adequacy of the allowance for doubtful receivables, management bases its estimates on the current overall economic conditions, the ageing of accounts receivable balances, historical write-off experience, customer creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer conditions may require adjustments to the estimated allowance for doubtful receivables.

**Allowances for obsolete and slow-moving inventories**

The Group creates an allowance for obsolete and slow-moving inventories. Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring subsequent to the reporting date to the extent that such events confirm conditions existing at the end of the reporting period. Changes in the supply and demand for the products, any subsequent changes to prices or costs may require adjustments to the estimated allowance for obsolete and slow-moving inventories.

**Legal contingencies**

Legal proceedings covering a wide range of matters are pending or threatened against the Group. Periodically, the status of each significant loss contingency is reviewed to assess the potential financial exposure of the Group. The Group records provisions for pending litigation when it determines that an unfavourable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates. Provisions are based on the best information available at the time. As additional information becomes available, the potential liability related to pending claims and litigation is reassessed and, if required, estimates are revised. Such revisions in estimates could have a material impact on the future of the Group's results.

**Taxation**

Significant judgement is required in determining the provision for taxation in the Russian Federation. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated additional tax assessments as a result of tax audits based on estimates of whether it is probable that additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determinations are made.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. The estimation of that probability includes judgements based on the expected performance of the Group. Various factors are considered to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans, expiration of tax losses carried forward, and tax planning strategies. If actual results differ from these estimates or if these estimates must be adjusted in future periods, the financial position, results of operations and cash flows may be negatively affected.

## 4. BUSINESS COMBINATIONS AND INCREASE OF OWNERSHIP IN SUBSIDIARIES

### Increase of ownership in subsidiaries

In June 2010, the Group acquired additional interests in subsidiaries as follows: 7.7% in OJSC "Ufaneftekhim" ("Ufaneftekhim"), 0.2% in OJSC "Novoil" ("Novoil"), 0.7% in OJSC "Ufimsky refinery plant" ("Ufimsky refinery plant"), 5.0% in OJSC "Ufaorgsintez" ("Ufaorgsintez") and 0.8% in OJSC "Bashkirnefteproduct" ("Bashkirnefteproduct") for a total cash consideration of USD 129 million. As a result of these acquisitions, the Group's effective interest in Bashkirenergo increased by 1.5%. The excess of the Group's share in net assets acquired over the consideration paid of USD 49 million was recognised directly in the consolidated statement of changes in equity as an increase in retained earnings. As a result of these acquisitions, the Group recognised a decrease in net assets attributable to non-controlling interests of USD 178 million.

***OJSC "Sistema-invest"***

On 9 April 2010, the Group acquired 25% interest in OJSC "Sistema-invest" ("Sistema-invest") from a third party for cash consideration of USD 202 million.

As a result of this transaction, the shareholding structure of Sistema-invest was as follows:

| | Interest |
|---|---|
| JSFC "Sistema" | 65% |
| Bashneft | 25% |
| Third party | 10% |
| **Total** | **100%** |

Sistema-invest is a legal entity controlled by JSFC "Sistema" that owns equity interests in the Company, Ufimsky refinery plant, Novoil, Ufaneftekhim, Ufaorgsintez and Bashkirnefteproduct. The entity is a corporate vehicle used to facilitate transactions between Bashneft Group and JSFC "Sistema" and substantively accumulate non-controlling interests in the Company and its subsidiaries within this corporate vehicle. Except for these transactions, there is no operational or economic substance. The transaction represents an acquisition of the Company's own shares and additional interests in subsidiaries. The Group 'looks-through' the legal entity and accounts for its interests in the assets, liabilities, equity, revenues and expenses of Sistema-invest. The Company's interest in its own shares was accounted for as treasury shares and the increase in the Company's interest in subsidiaries was accounted for as an increase in ownership in subsidiaries acquired by the Group.

At the date of acquisition, Group's interest in the value of Sistema-invest's net assets amounted to USD 621 million. The excess of the Group's interest in the net assets acquired over the consideration paid was recognised in the consolidated statement of changes in equity as an increase in treasury shares and retained earnings in the amounts of USD 267 million and USD 152 million, respectively. The transaction resulted in a decrease in non-controlling interests in the amount of USD 277 million.

On 3 December 2010, Sistema-invest acquired 10% of its own shares from a third party for cash consideration of USD 120 million. As a result of this transaction, the Group's interest in Sistema-invest increased from 25% to 27.78%. The excess of the Group's interest in the value of Sistema-invest's net assets over the Group's interest in the consideration paid by Sistema-invest for its own shares was recognised in the Group's consolidated statement of changes in equity as an increase in treasury shares and retained earnings in the amounts of USD 19 million and USD 11 million, respectively. The transaction resulted in a decrease in non-controlling interests in the amount of USD 30 million.

As a result of Sistema-invest acquisition of additional 10%, the shareholding structure of Sistema-invest was as follows:

| | Interest |
|---|---|
| JSFC "Sistema" | 72.22% |
| Bashneft | 27.78% |
| **Total** | **100.00%** |

In May 2011, Sistema-invest issued an additional 28,488 shares, representing 28.49% of its own shares, in exchange for the 48.22% stake in Bashkirenergo owned by Bashneft, Ufaneftekhim, Novoil and Ufimsky refinery plant. As a result of this transaction, the Group's interest in Sistema-invest increased from 27.78% to 49.41%. The excess of the Group's interest in Sistema-invest's net assets over the disposed amount of the Group's share in Bashkirenergo's net assets was recognised in the Group's consolidated statement of changes in equity as an increase in treasury shares and retained earnings in the amounts of USD 212 million and USD 42 million, respectively. The transaction resulted in a decrease in non-controlling interests in the amount of USD 1,499 million.

As a result of this transaction, the shareholding structure of Sistema-invest was as follows:

| | Interest |
|---|---|
| JSFC "Sistema" | 50.59% |
| Bashneft | 26.73% |
| Ufaneftekhim | 8.12% |
| Ufimsky refinery plant | 7.28% |
| Novoil | 7.28% |
| **Total** | **100.00%** |

As a result of this transaction, the Group lost control over Bashkirenergo in 2011. The Group's effective interest in Bashkirenergo held through Sistema-invest became 23.62%, and is accounted for as investment held for sale at the lower of fair value less cost to sell and cost as at 31 December 2011.

At 31 December 2010, the carrying value of treasury shares held by the Company was as follows:

| | 1 January 2010 | Treasury shares acquired on 9 April 2010 | Treasury shares acquired on 3 December 2010 | 31 December 2010 |
|---|---|---|---|---|
| Value | - | 486 | 52 | 538 |
| Excess of the Group's interest in the net assets acquired over the consideration paid attributable to treasury shares | - | (267) | (19) | (286) |
| **Total** | **-** | **219** | **33** | **252** |

At 31 December 2011, the carrying value of treasury shares held by the Company was as follows:

| | 1 January 2011 | Treasury shares acquired on 5 May 2011 | 31 December 2011 |
|---|---|---|---|
| Value | 538 | 212 | 750 |
| Excess of the Group's interest in the net assets acquired over the consideration paid attributable to treasury shares | (286) | - | (286) |
| **Total** | **252** | **212** | **464** |

The increase in the Group's interest in the Company and its subsidiaries as a result of the acquisitions of interest in Sistema-invest was as follows:

| | Effective ownership acquired on 9 April 2010 | Effective ownership acquired on 3 December 2010 | Effective ownership acquired on 5 May 2011 | Total |
|---|---|---|---|---|
| Bashneft (treasury shares) | 5.19% | 0.58% | 4.52% | 10.29% |
| Ufimsky refinery plant | 5.62% | 0.62% | 3.13% | 9.37% |
| Novoil | 6.40% | 0.71% | 3.56% | 10.67% |
| Ufaneftekhim | 4.55% | 0.51% | 2.53% | 7.59% |
| Ufaorgsintez | 5.38% | 0.60% | 3.03% | 9.01% |
| Bashkirnefteproduct | 4.30% | 0.48% | 2.42% | 7.20% |
| Bashkirenergo[1] | 1.99% | 0.22% | n/a | n/a |

**Business combinations**

As part of retail business development strategy the Group acquired controlling shares in the following companies engaged in petroleum products trading through chains of petrol stations and petrol facilities: OJSC "Orenburgnefteproduct" ("Orenburgnefteproduct"), LLC "BN-Nefteproduct" ("BN-Nefteproduct"), LLC "GP "SKON" ("SKON").

***OJSC "Orenburgnefteproduct"***

In April 2011, the Group acquired from OJSC "Russneft" a 94% stake in Orenburgnefteproduct for total cash consideration of USD 119 million. Orenburgnefteproduct is a company engaged in petroleum products trading in the Orenburg region through a chain of 95 petrol stations and 16 petrol storages.

At the date of acquisition, the fair value of identifiable assets and liabilities of Orenburgnefteproduct was as follows:

| | Fair value at the acquisition date |
|---|---|
| **ASSETS** | |
| Property, plant and equipment | 118 |
| Inventories | 18 |
| Trade and other receivables | 6 |
| Advances to suppliers and prepaid expenses | 13 |
| Cash and cash equivalents | 9 |
| | **164** |
| **LIABILITIES** | |
| Deferred tax liabilities | (20) |
| Trade and other payables | (18) |
| | **(38)** |
| **Fair value of net assets acquired** | **126** |
| Non-controlling interests measured at fair value | (7) |
| **Cash consideration** | **119** |
| **Excess of the cost of acquisition over the Group's share in the fair value of net assets acquired** | - |
| **Net cash outflow arising on acquisition** | |
| Consideration paid | 119 |
| Cash and cash equivalents acquired | (9) |
| **Net cash outflow on acquisition** | **110** |

[1] The Company controlled Bashkirenergo through its controlling interests in Ufimsky refinery plant, Novoil and Ufaneftekhim.

Orenburgnefteproduct contributed USD 345 million of revenue, USD 5 million of profit before tax and USD 4 million of profit from the date of acquisition to 31 December 2011.

The Group's financial results if the combination had taken place at the beginning of the year ended 31 December 2011 are not disclosed as Orenburgnefteproduct did not prepare standalone financial statements in accordance with IFRS before the acquisition.

***LLC "BN-Nefteproduct"***

On 31 July 2010, the Group acquired 49.99% interest in OJSC "Aspec" from a related party for cash consideration of USD 123 million. OJSC "Aspec" is the holding company of the Aspec Group ("Aspec"). Aspec is engaged in wholesale and retail of oil products, real estate development and also owns an automotive retail business. Aspec's petrol stations and storage depots are located throughout the Russian Federation, with its headquarter located in the Republic of Udmurtia. As at 31 December 2010, the Group recognised an impairment loss in the amount of USD 17 million on its investment in Aspec.

In July 2011, LLC "Aspec", the holding company of the Aspec Group was reorganized into two companies: BN-Nefteproduct and LLC "Aspec". As a result of this reorganisation, the Group swapped previously held 49,99% interest in LLC "Aspec" to 100% interest in BN-Nefteproduct, a company, which consolidated the wholesale and retail businesses of Aspec Group. The company's production facilities includes: 50 petrol stations and 4 petroleum storage facilities.

The remeasurement to fair value of the Group's previously held 49,99% in LLC "Aspec" resulted in a loss of USD 17 million, which has been recognised in other operating expenses in the statement of comprehensive income.

At the date of acquisition, the fair value of identifiable assets and liabilities of BN-Nefteproduct was as follows:

| | Fair value at the acquisition date |
|---|---|
| ASSETS | |
| Property, plant and equipment | 90 |
| Inventories | 70 |
| Trade and other receivables | 12 |
| Cash and cash equivalents | 6 |
| Other assets | 12 |
| | **190** |
| LIABILITIES | |
| Deferred tax liabilities | (12) |
| Trade and other payables | (76) |
| | **(88)** |
| **Fair value of net assets acquired** | **102** |
| **Fair value of previously held share of investment in associate** | **102** |
| **Excess of the cost of acquisition over the Group's share in the fair value of net assets acquired** | **-** |
| **Cash inflow arising on acquisition** | |
| Cash and cash equivalents acquired | 6 |
| **Cash inflow on acquisition** | 6 |

BN-Nefteproduct contributed USD 1,239 million of revenue, USD 31 million of profit before tax and USD 25 million of profit from the date of acquisition to 31 December 2011.

If the acquisition had taken place at the beginning of the year ended 31 December 2011 the Group's revenue would have been USD 16,665 million, profit for the year would have been USD 1,817 million.

***LLC "GP "SKON"***

In December 2011, the Group acquired 100% of SKON, for a total cash consideration of USD 39 million. SKON is a company engaged in petroleum products trading in the Sverdlovsk region through a chain of 25 petrol stations and petrol storage. As a result of acquisition the Group recognised excess of Group's share in fair value of net assets acquired over consideration transferred in the amount of USD 4 million in the consolidated statement of comprehensive income.

As a result of acquisition, the Group consolidated Property, Plant and Equipment in the amount of USD 47 million and attributable deferred tax liability in the amount of USD 4 million.

SKON contributed USD nil of revenue, profit before tax and profit from the date of acquisition to 31 December 2011.

The Group's financial results if the combination had taken place at the beginning of the year ended 31 December 2011 are not disclosed as SKON did not prepare standalone financial statements in accordance with IFRS before the acquisition.

## 5. SEGMENT INFORMATION

For management purposes the Group is organised into three segments: Extraction, Refining and Marketing. Reports reviewed by the Board of Directors of the Group that are used to allocate resources to segments and to assess their performance are prepared on the same basis.

The operations of each of the Group's reportable segments are as follows:

- Extraction: The Extraction segment comprises subsidiaries and business units of the Company engaged in exploration, production and wholesale of crude oil and petrochemicals on export and domestic markets;
- Refining: The Refining segment comprises subsidiaries and business units of the Company engaged in processing crude oil and oil products; and
- Marketing: The Marketing segment comprises subsidiaries and business units of the Company engaged in wholesale and retail of oil and oil products.

Operations of subsidiaries and business units of the Company engaged in electricity and heat generation were discontinued during the year ended 31 December 2011 (refer to note 18). The segment information reported below does not include any amounts for these discontinued operations.

Electricity and heat operations were not included within the reportable operating segments, as they were not included in the reports provided to the Board of Directors. The results of these operations were included in the "Other segment" column. After discontinuance of energy and heat operations, revenue of other entities included in "Other segment" column comprises less than 1% of combined revenue of the Group for the year ended 31 December 2011.Therefore management decided to remove "Other segment" and reclassify remaining amounts to other operations.

There are varying levels of integration between the Extraction, Refining and Marketing reportable segments. This integration includes transfers of crude oil from the Extraction segment to the Refining segment for processing into petroleum products.

Information regarding the results of each reportable segment is reviewed by the Board of Directors. Segment Profit before tax is used to measure segment performance, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The significant accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments for the year ended 31 December 2011 is as follows:

| | Extraction | Refining | Marketing | Eliminations | Total |
|---|---|---|---|---|---|
| External revenues | 13,907 | 41 | 2,601 | - | **16,549** |
| Inter-segment revenues | 2,362 | 1,518 | 154 | (4,034) | **-** |
| Finance income | 45 | 25 | 4 | - | **74** |
| Finance costs | (505) | (3) | - | - | **(508)** |
| Depletion and depreciation | (241) | (349) | (26) | - | **(616)** |
| Share of profit of associates | 74 | - | 1 | - | **75** |
| Profit before tax | 2,054 | 110 | 40 | - | **2,204** |
| Income tax expense | (474) | (32) | (7) | - | **(513)** |
| Capital expenditure | 1,186 | 326 | 14 | - | **1,526** |
| Other non-cash (expenses)/income, net | (82) | (72) | 8 | - | **(146)** |

Information about reportable segments for the year ended 31 December 2010 is as follows:

| | Extraction | Refining | Marketing | Eliminations | Total |
|---|---|---|---|---|---|
| External revenues | 10,932 | 32 | 743 | - | **11,707** |
| Inter-segment revenues | 647 | 1,458 | 81 | (2,186) | **-** |
| Finance income | 42 | 21 | 4 | - | **67** |
| Finance costs | (350) | (6) | - | - | **(356)** |
| Depletion and depreciation | (181) | (398) | (18) | - | **(597)** |
| Share of profit of associates | 34 | - | 2 | - | **36** |
| Profit/(loss) before tax | 1,732 | 172 | (24) | - | **1,880** |
| Income tax (expense)/benefit | (379) | (49) | 2 | - | **(426)** |
| Capital expenditure | 326 | 144 | 5 | - | **475** |
| Other non-cash income/(expenses), net | 431 | (57) | (56) | - | **318** |

For the purpose of monitoring segment performance and allocating resources between segments all assets are allocated to reportable segments.

The following tables present assets and liabilities of the Group's reportable segments at 31 December 2011:

| | Extraction | Refining | Marketing | Eliminations | Total |
|---|---|---|---|---|---|
| Investments in associates and joint ventures | 938 | - | - | - | **938** |
| Segment assets | 6,913 | 4,907 | 815 | - | **12,635** |
| Inter-segment assets and eliminations | 192 | 349 | 47 | (588) | **-** |
| **Total segment assets** | **8,043** | **5,256** | **862** | **(588)** | **13,573** |
| Segment liabilities | (5,270) | (1,026) | (229) | - | **(6,525)** |
| Inter-segment liabilities and eliminations | (373) | (87) | (128) | 588 | **-** |
| **Total segment liabilities** | **(5,643)** | **(1,113)** | **(357)** | **588** | **(6,525)** |

The following tables present assets and liabilities of the Group's reportable segments at 31 December 2010:

| | Extraction | Refining | Marketing | Eliminations | Total |
|---|---|---|---|---|---|
| Investments in associates | 560 | - | 107 | - | **667** |
| Segment assets | 6,986 | 5,015 | 429 | - | **12,430** |
| Inter-segment assets and eliminations | 70 | 118 | 24 | (212) | **-** |
| **Total segment assets** | **7,616** | **5,133** | **560** | **(212)** | **13,097** |
| Segment liabilities | (5,782) | (869) | (115) | - | **(6,766)** |
| Inter-segment liabilities and eliminations | (116) | (72) | (7) | 195 | **-** |
| **Total segment liabilities** | **(5,898)** | **(941)** | **(122)** | **195** | **(6,766)** |

Comparison of segment assets and liabilities with the amounts disclosed in the Group's financial statements is represented in the following table below:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Segment assets | 13,573 | 13,097 |
| Bashkirenergo assets | - | 1,897 |
| Less: intergroup assets Bashkirenergo | - | (3) |
| **Total assets of the Group** | **13,573** | **14,991** |
| Segment liabilities | (6,525) | (6,766) |
| Bashkirenergo liabilities | - | (253) |
| Less: intergroup liabilities Bashkirenergo | - | 20 |
| **Total liabilities of the Group** | **(6,525)** | **(6,999)** |

Substantially all of the Group's operations are conducted in the Russian Federation. The geographical regions within the Russian Federation have substantially similar economic and regulatory conditions. Therefore, the Group has not presented any separate geographical disclosure about its non-current assets by geographical area.

The Group's revenue from external customers by geographical location is as follows:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Export outside the CIS | 8,147 | 5,309 |
| Russian Federation | 7,068 | 5,672 |
| CIS | 1,334 | 726 |
| **Total** | **16,549** | **11,707** |

The following counterparties relating to the Extraction segment comprise each more than 10% of the total revenue of the Group:

| | Year ended 31 December 2011 | |
|---|---|---|
| | Revenue | % of the total Revenue |
| STAR Oil (FZE) | 2,814 | 17% |

| | Year ended 31 December 2010 | |
|---|---|---|
| | Revenue | % of the total Revenue |
| Litasco SA | 1,634 | 14% |
| STAR Oil (FZE) | 1,522 | 13% |

## 6. REVENUE

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Petroleum products | 13,006 | 9,363 |
| Crude oil | 3,142 | 1,995 |
| Other revenue | 401 | 349 |
| **Total** | **16,549** | **11,707** |

## 7. EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Wages and salaries | 849 | 848 |
| Contributions to Pension Fund of the Russian Federation | 163 | 120 |
| Other social taxes | 50 | 36 |
| Phantom shares granted (refer to note 21) | 23 | 13 |
| Other employee benefits | 6 | 7 |
| **Total** | **1,091** | **1,024** |

## 8. TAXES OTHER THAN INCOME TAX

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Mineral extraction tax | 1,754 | 1,108 |
| Contributions to Pension Fund of the Russian Federation | 163 | 120 |
| Property tax | 57 | 58 |
| Other social taxes | 50 | 36 |
| Other taxes | 28 | 25 |
| **Total** | **2,052** | **1,347** |

## 9. FINANCE INCOME AND FINANCE COSTS

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Finance income** | | |
| Dividends income | 17 | - |
| Interest income on loans, promissory notes and bonds | 41 | 36 |
| Interest income on cash and deposits | 16 | 31 |
| **Total** | **74** | **67** |
| **Finance costs** | | |
| Interest expense on borrowings | 412 | 326 |
| Premium on bonds redeemed | 65 | - |
| Unwinding of discount | 30 | 29 |
| Other accretion expenses | 1 | 1 |
| **Total** | **508** | **356** |

## 10. INCOME TAX

### Income tax expense

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Current year income tax expense | 469 | 346 |
| Adjustments relating to current income tax of prior years | 9 | 19 |
| **Current income tax expense** | **478** | **365** |
| **Deferred tax expense** | **35** | **61** |
| **Income tax expense** | **513** | **426** |

Reconciliation of statutory income tax to income tax expense is as follows:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Profit before tax** | **2,204** | **1,880** |
| Income tax at statutory rate 20% | 441 | 376 |
| Tax effect of permanent difference on sale of 25.1% ownership in LLC "Bashneft-Polyus" | 22 | - |
| Other non-deductible and non-taxable items | 41 | 31 |
| Adjustments relating to current income tax of prior years | 9 | 19 |
| **Income tax expense** | **513** | **426** |

**Deferred tax assets and liabilities**

Movements in deferred tax assets and liabilities are as follows:

| | 1 January 2011 | Recognised in profit or loss | Acquired on acquisition of subsidiaries | Disposed on disposal of subsidiaries | Effect of translation to presentation currency | 31 December 2011 |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 1,059 | 72 | 36 | (194) | (46) | 927 |
| Investments | 92 | 16 | - | 1 | (8) | 101 |
| Inventories | 9 | (27) | - | 2 | 2 | (14) |
| Trade and other receivables | 25 | 8 | - | 13 | (3) | 43 |
| Decommissioning provision | (48) | (16) | - | - | 4 | (60) |
| Provisions | (15) | (10) | - | 2 | 2 | (21) |
| Trade and other payables | (13) | (17) | - | - | 3 | (27) |
| Other | (10) | 4 | - | 5 | (1) | (2) |
| **Total** | **1,099** | **30** | **36** | **(171)** | **(47)** | **947** |

| | 1 January 2010 | Recognised in profit or loss | Effect of translation to presentation currency | 31 December 2010 |
|---|---|---|---|---|
| Property, plant and equipment | 1,127 | (60) | (8) | 1,059 |
| Investments | (3) | 95 | - | 92 |
| Inventories | (7) | 16 | - | 9 |
| Trade and other receivables | - | 25 | - | 25 |
| Decommissioning provision | (46) | (2) | - | (48) |
| Provisions | (1) | (14) | - | (15) |
| Trade and other payables | (9) | (4) | - | (13) |
| Other | (10) | - | - | (10) |
| **Total** | **1,051** | **56** | **(8)** | **1,099** |

At 31 December 2011, deferred tax assets in the amount of USD 7 million (31 December 2010: USD 7 million) have not been recognised in respect of deductible temporary differences because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

## 11. PROPERTY, PLANT AND EQUIPMENT

| | Oil and gas properties | Refining | Marketing | Other | Total |
|---|---|---|---|---|---|
| **Cost / deemed cost** | | | | | |
| **Balance at 1 January 2010** | 3,643 | 4,819 | 391 | 1,682 | 10,535 |
| Constructions and acquisitions | 297 | 139 | 5 | 132 | 573 |
| Disposals | (24) | (50) | (2) | (13) | (89) |
| Effect of translation to presentation currency | (28) | (37) | (3) | (13) | (81) |
| **Balance at 31 December 2010** | 3,888 | 4,871 | 391 | 1,788 | 10,938 |
| Acquisition of subsidiaries (refer to note 4) | - | - | 255 | - | 255 |
| Disposal of Bashkirenergo (refer to note 18) | - | - | - | (2,004) | (2,004) |
| Contribution to joint venture in LLC "Bashneft-Polyus (refer to note 12) | (652) | - | - | - | (652) |
| Other disposal of subsidiaries and SPEs | (3) | (3) | - | - | (6) |
| Constructions and acquisitions | 1,171 | 320 | 14 | 12 | 1,517 |
| Disposals | (87) | (26) | (2) | - | (115) |
| Effect of translation to presentation currency | (278) | (286) | (48) | 204 | (408) |
| **Balance at 31 December 2011** | 4,039 | 4,876 | 610 | - | 9,525 |
| **Accumulated depletion, depreciation and impairment** | | | | | |
| **Balance at 1 January 2010** | (173) | (363) | (21) | (111) | (668) |
| Charge for the year | (188) | (397) | (22) | (115) | (722) |
| Disposals | 3 | 9 | - | 1 | 13 |
| Impairment | (12) | (3) | (2) | - | (17) |
| Effect of translation to presentation currency | 2 | 4 | 1 | 1 | 8 |
| **Balance at 31 December 2010** | (368) | (750) | (44) | (224) | (1,386) |
| Disposal of Bashkirenergo (refer to note 18) | - | - | - | 291 | 291 |
| Other disposal of subsidiaries and SPEs | 1 | 2 | - | - | 3 |
| Charge for the year | (238) | (348) | (27) | (39) | (652) |
| Disposals | 3 | 7 | - | - | 10 |
| Effect of translation to presentation currency | 45 | 71 | 3 | (28) | 91 |
| **Balance at 31 December 2011** | (557) | (1,018) | (68) | - | (1,643) |
| **Net book value** | | | | | |
| **At 1 January 2010** | 3,470 | 4,456 | 370 | 1,571 | 9,867 |
| **At 31 December 2010** | 3,520 | 4,121 | 347 | 1,564 | 9,552 |
| **At 31 December 2011** | 3,482 | 3,858 | 542 | - | 7,882 |

At 31 December 2011, properties with a carrying amount of USD 191 million (31 December 2010: USD 214 million) are pledged as security for the Group's bank loans.

**Decommissioning provision**

| | |
|---|---|
| **Balance at 1 January 2010** | **231** |
| Unwinding of discount | 29 |
| New obligations | 3 |
| Changes in estimates of existing obligations | (29) |
| Effect of translation to presentation currency | (3) |
| **Balance at 31 December 2010** | **231** |
| Unwinding of discount | 30 |
| New obligations | 1 |
| Changes in estimates of existing obligations | 62 |
| Property dispositions | (15) |
| Effect of translation to presentation currency | (14) |
| **Balance at 31 December 2011** | **295** |

Current and non-current portions of decommissioning provision are as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Current portion | - | 14 |
| Non-current portion | 295 | 217 |
| **Total** | **295** | **231** |

The Group's decommissioning provision relates primarily to the conservation and liquidation of wells, pipelines and other oil and gas facilities and site restoration. Key assumptions used for evaluation of decommissioning provision were as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Discount rate | 9.49% | 12.38% |
| Inflation rate | 2.55%-10.09% | 2.25%-10.81% |

The Group has estimated the costs to be incurred using the cost of technology and materials that are currently available.

## 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

| | Year ended 31 December 2011 | | Year ended 31 December 2010 |
|---|---|---|---|
| | Investments in associates | Investments in joint ventures | Investments in associates |
| **Balance at the beginning of the year** | **667** | - | - |
| Reclassified from available-for-sale investments | - | - | 545 |
| Acquired during the year | - | - | 123 |
| Acquisition of the controlling interest in BN-Nefteproduct | (119) | - | - |
| Loss of controlling interest in subsidiaries | - | 351 | - |
| Share of post-acquisition profits | 75 | - | 36 |
| Impairment | - | - | (17) |
| Effect of translation to presentation currency | (26) | (10) | (20) |
| **Balance at the end of the year** | **597** | **341** | **667** |

**Joint venture**

On 27 December 2011, the Group entered into agreement with OJSC "Lukoil" in relation to development of Trebs and Titov deposit through sales of 25.1% shares in LLC "Bashneft-Polyus" ("Bashneft-Polyus") for cash consideration of USD 153 million and entering a joint venture agreement. Although the Group has 74.9% interest in Bashneft-Polyus, this investment is classified as an investment in joint venture (refer to note 3).

As a part of the establishment of the joint venture, the Group issued a loan to Bashneft-Polyus in the amount of USD 171 million at 8.25% per annum which is expected to be repaid as the development and production stage of Trebs and Titov deposit commences; and the Group sold to Bashneft-Polyus exploration and evaluation assets for a cash consideration of USD 60 million. No gain or loss was recognised on these transactions.

As of the date of reclassification of investment the value of the interest retained by the Group approximates the fair value.

At the date of reclassification of investment carrying amount of assets and liabilities in Bashneft-Polyus was as follows:

| | 27 December 2011 |
|---|---|
| ASSETS | |
| Exploration and evaluation assets | 60 |
| Trebs and Titov oilfield license | 592 |
| Trade and other accounts receivable | 19 |
| Cash and cash equivalents | 111 |
| | 782 |
| LIABILITIES | |
| Deferred tax liabilities | (118) |
| Borrowings | (171) |
| Trade and other payables | (24) |
| | (313) |
| **Net assets disposed of** | **469** |

The result from the sale of the ownership interest in Bashneft-Polyus is summarized in the following table:

| | 27 December 2011 |
|---|---|
| Consideration received | 153 |
| Less: Carrying amount of the Group's 25.1% interest in the net assets | (118) |
| **Gain on sale of ownership interest** | **35** |

The Group recognised income tax expense in the amount of USD 31 million associated with this transaction.

The following table reconciles the carrying value of Bashneft-Polyus prior to disposal and the carrying value of the retained investment in the entity recorded under the equity method:

| | 27 December 2011 |
|---|---|
| Carrying value of the net assets disposed of | 469 |
| Less: carrying amount of the Group's 25.1% interest in the net assets disposed | (118) |
| **The carrying value of equity investment** | **351** |

From the date of establishing the joint venture in Bashneft-Polyus until 31 December 2011, the joint venture did not perform significant operations.

The following is a summary of the financial information of joint venture:

| | 31 December 2011 |
|---|---|
| Non-current assets | 692 |
| Current assets | 63 |
| Non-current liabilities | (281) |
| Current liabilities | (19) |
| **Net assets** | **455** |
| **Group's share of the net assets of the joint venture** | **341** |

As of 31 December 2011, the Group's share in capital commitments of the joint venture was USD 15 million.

**Associates**

The Group holds 38.5% interest in OJSC "Belkamneft" ("Belkamneft"), a company engaged in the production of crude oil. At 31 December 2009, the Group's 38.5% interest in Belkamneft was classified as an available-for-sale investment as the Group was not able to exercise significant influence over the operating and financing activities of the investee. On 23 April 2010, JSFC Sistema (the Group's parent company) acquired 49% interest in OJSC "Russneft" (Belkamneft's parent Company). As a result of this transaction, the Group obtained significant influence over Belkamneft and reclassified the investment in Belkamneft from available-for-sale to investments in associates. The excess of the fair value of the investment over the carrying value in the amount of USD 477 million was recognised in the statement of comprehensive income as gain on reclassification of available-for-sale investments to investments in associates.

On 31 July 2010, the Group acquired 49.99% interest in OJSC "Aspec" from a related party for a cash consideration of USD 123 million. OJSC "Aspec" is the holding company of the Aspec Group ("Aspec"). Aspec is engaged in wholesale and retail of oil products, real estate development and also owns an automotive retail business. Aspec's petrol stations and storage depots are located throughout the Russian Federation, with its headquarter located in the Republic of Udmurtia. As at 31 December 2010, the Group recognised an impairment loss in the amount of USD 17 million on its investment in Aspec. On 1 July 2011, as a part of reorganisation of Aspec Group, the Group swapped its 49.99% interest in LLC "Aspec" to 100% interest in "BN-Nefteproduct" (refer to note 4).

The following is a summary of the financial information of associates:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Total assets | 2,553 | 2,903 |
| Total liabilities | (445) | (567) |
| **Net assets** | **2,108** | **2,336** |
| **Group's share of net assets of associates** | **811** | **923** |

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Total revenue | 1,422 | 1,514 |
| Total profit for the year | 198 | 138 |
| **Group's share of profit of associates** | **75** | **36** |

## 13. FINANCIAL ASSETS

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Non-current investments** | | |
| Loans given, at amortised cost | 155 | 217 |
| Loans given to joint venture, at amortised cost | 166 | - |
| **Total** | 321 | 217 |
| **Current investments** | | |
| Loans given, at amortised cost | 668 | 665 |
| Investments in Bashkirenergo held for sale | 398 | - |
| Deposits | 4 | 11 |
| Other financial assets | 3 | - |
| **Total** | 1,073 | 676 |

At 31 December 2011, non-current loans given at amortised cost represent corporate bonds which are not quoted in an active market and bear interest at rate 6.0% with maturity in 2015.

At 31 December 2010, non-current loans given at amortised cost represented promissory notes with interest rate 5.0% and maturity date in 2012.

At 31 December 2011, loans given to joint venture represent loan to "Bashneft-Polyus" with interest rate 8.25% which is expected to be repaid as the development and production stage of Trebs and Titov deposit commences.

At 31 December 2011, current loans given at amortised cost included promissory notes and loans given with interest rates varying from 3.5% to 8.3% (31 December 2010: 3.5% to 8.3%).

Investments in Bashkirenergo held for sale at 31 December 2011 represent Group's share in Sistema-invest's investment in Bashkirenergo (refer to note 4). The investment held for sale is stated at the lower of fair value less cost to sell and cost as at 31 December 2011.

At 31 December 2011, current deposits represent bank deposits which bear interest at rates varying from 3.0% to 8.75% (31 December 2010: 7.5% to 14.5%) per annum.

## 14. INVENTORIES

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Inventories expected to be recovered after twelve months** | | |
| Catalytic agents | 62 | 44 |
| Raw materials and other inventories | - | 6 |
| **Total** | 62 | 50 |
| **Inventories expected to be recovered in the next twelve months** | | |
| Petroleum products | 455 | 333 |
| Crude oil | 16 | 7 |
| Raw materials and other inventories | 303 | 335 |
| Less: allowance for obsolete and slow-moving items | (26) | (50) |
| **Total** | 748 | 625 |

The cost of inventories (excluding crude oil) recognised as expense during the year ended 31 December 2011 amounted to USD 354 million (year ended 31 December 2010: USD 291 million). At 31 December 2011 and 2010, none of the Group's inventories were stated at net realisable value.

## 15. OTHER NON-CURRENT ASSETS

At 31 December 2011, other non-current assets included long-term accounts receivable in the amount of USD 3 million (31 December 2010: USD 3 million), net of allowance for doubtful receivables in the amount of USD 12 million (31 December 2010: USD 24 million).

## 16. TRADE AND OTHER RECEIVABLES

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Trade receivables | 505 | 545 |
| Other receivables | 69 | 72 |
| **Total** | **574** | **617** |
| Less: allowance for doubtful receivables | (65) | (94) |
| **Total** | **509** | **523** |

The average credit period for the Group's customers is 5-10 days. During this period no interest is charged on the outstanding balances. Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits separately for each individual customer. At 31 December 2011, the Group's five largest customers represent 71.3% (31 December 2010: 67.9%) of the outstanding trade receivables balance. Creditworthiness of the existing customers is also periodically evaluated based on internal and external information regarding the history of settlements with these customers. The Group regularly analyses accounts receivable turnover ratios, maturity dates and takes appropriate measures on collection of debts due.

Allowances for doubtful receivables are recognised against trade and other receivables older than 30 days based on estimated irrecoverable amounts, determined by reference to past experience and are regularly reassessed based on the facts and circumstances existing at each reporting date.

Ageing of trade and other receivables was as follows:

| | 31 December 2011 | | 31 December 2010 | |
|---|---|---|---|---|
| | Gross | Impairment provision | Gross | Impairment provision |
| Not past due | 456 | - | 444 | - |
| Past due up to 30 days | 14 | - | 25 | - |
| Past due from 31 to 90 days | 22 | (1) | 26 | (6) |
| Past due from 91 to 180 days | 9 | - | 13 | (5) |
| Past due from 181 to 365 days | 9 | (4) | 27 | (24) |
| Past due over 365 days | 64 | (60) | 82 | (59) |
| **Total** | **574** | **(65)** | **617** | **(94)** |

Movement in the allowance for doubtful receivables in respect of trade and other receivables was as follows:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Balance at the beginning of the year** | 94 | 72 |
| Recognised in profit or loss | 41 | 27 |
| Disposal of subsidiaries | (36) | - |
| Amounts written-off as uncollected | (29) | (5) |
| Effect of translation to presentation currency | (5) | - |
| **Balance at the end of the year** | **65** | **94** |

Specific allowance against trade and other receivables of USD 41 million (31 December 2010: USD 25 million) from entities under liquidation process or placed into bankruptcy is included in allowance for doubtful receivables. The allowance represents the difference between the carrying amount of these receivables and the present value of expected proceeds on liquidation. The Group did not hold collateral in respect of these balances.

## 17. CASH AND CASH EQUIVALENTS

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Call deposits | 472 | 549 |
| Bank balances | 409 | 518 |
| **Total** | **881** | **1,067** |

As at 31 December 2011, call deposits mostly represent overnight bank deposits which are denominated in RUB with annual interest rates varying from 0.1% to 8.3% per annum (31 December 2010: 0.5% to 2.7%). As at 31 December 2010 call deposits also were represented by USD-denominated bank deposits with interest rates varying from 0.1% to 0.2% per annum. Maturity dates for these deposits are within 3 months from the date they originated.

As part of its cash and credit risk management function, the Group regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and cash equivalents. Banking relationships are with large Russian banks with external credit ratings of at least B+.

## 18. DISCONTINUED OPERATIONS

### Disposal of Bashkirenergo

On 5 May 2011 Bashneft, Ufaneftekhim, Novoil and Ufimsky refinery plant exchanged their 48.22% stake in Bashkirenergo for a 28.49% stake in Sistema-invest (refer to note 4). As a result of this transaction, the ability to exercise control over Bashkirenergo was transferred to JSFC "Sistema", controlling shareholder of Sistema-invest, and the Group ceased to consolidate Bashkirenergo from that date. The Group's share in Sistema-invest's investment in Bashkirenergo was classified as investment held for sale (refer to note 13).

The results of operations and net cash flows of Bashkirenergo are set out below:

| | Period ended 5 May 2011 | Year ended 31 December 2010 |
|---|---|---|
| Revenue | 1,049 | 2,084 |
| Production and operating expenses | (791) | (1,679) |
| Depletion and depreciation | (39) | (114) |
| Selling, general and administrative expenses | (31) | (96) |
| Taxes other than income tax | (27) | (74) |
| Other operating (expenses)/income, net | (6) | 14 |
| **Operating profit** | **155** | **135** |
| Finance costs | (1) | (1) |
| **Profit before income tax** | **154** | **134** |
| Income tax | (30) | (42) |
| **Profit for the period from discontinued operations** | **124** | **92** |
| Attributable to: | | |
| Shareholders of the parent company | 44 | 36 |
| Non-controlling interests | 80 | 56 |
| Net cash generated from operating activities | 49 | 192 |
| Net cash used in investing activities | (35) | (98) |
| Net cash used in financing activities | (3) | (94) |
| **Total** | **11** | **-** |

At the date of disposal, assets and liabilities of Bashkirenergo were as follows:

| | 5 May 2011 |
|---|---|
| **Current assets** | |
| Cash and cash equivalents | 32 |
| Trade and other receivables | 227 |
| Advances to suppliers and prepaid expenses | 15 |
| Other taxes receivable | 78 |
| Inventories | 49 |
| Other current assets | 6 |
| **Non-current assets** | |
| Property, plant and equipment | 1,713 |
| Advances paid for acquisition of property, plant and equipment | 143 |
| Other non-current assets | 10 |
| **Current liabilities** | |
| Trade and other payables | (104) |
| Advances received | (50) |
| Other taxes payable | (75) |
| Other current liabilities | (11) |
| **Non-current liabilities** | |
| Deferred tax liabilities | (51) |
| Other non-current liabilities | (33) |
| **Net assets disposed of** | **1,949** |

**Result of the disposal of Bashkirenergo**

| | 5 May 2011 |
|---|---|
| Net assets disposed of | (1,949) |
| Non-controlling interest | 1,265 |
| | (684) |
| Increase in proportionate share of interest in Treasury shares | 212 |
| Increase in proportionate share of interest in Company's subsidiaries | 234 |
| Increase in proportionate share of interest in other assets and liabilities of Sistema-Invest | (188) |
| **Lower of fair value less cost to sell and cost of the Group's 23.62% interest in Bashkirenergo held through Sistema-invest** | **466** |
| **Gain on disposal of Bashkirenergo attributable to the Excess of Group's increase in share of interest in Company's subsidiaries acquired over consideration paid, recognised in Retained earnings** | **42** |
| **Net cash outflow on disposal of subsidiary** | **(32)** |

The result of continuing operations' transactions with Bashkirenergo is set out below:

| | Period ended 5 May 2011 | Year ended 31 December 2010 |
|---|---|---|
| Revenue | 13 | 44 |
| Production and operating expenses | (172) | (406) |
| Other operating expenses, net | (9) | - |

## 19. SHARE CAPITAL

### Authorised, issued and fully paid share capital

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| 170,169,754 ordinary shares with a par value of RUB 1.00 | 64 | 64 |
| 34,622,686 preferred shares with a par value of RUB 1.00 | 13 | 13 |
| **Total** | 77 | 77 |

The nominal value of share capital was adjusted for hyperinflation from the actual dates of share issuance to 31 December 2002.

### Dividends and retained earnings

The holders of the Company's ordinary shares are entitled to one vote per share at shareholders' meetings and a right to dividends, as declared periodically.

The holders of the Company's preferred shares receive a non-cumulative dividend at the Company's discretion or whenever dividends to ordinary shareholders are declared. They do not have the right to vote at shareholders' meetings if dividends are declared but have the right to one vote per share if dividends are not declared.

Ordinary and preferred shares rank equally with regard to the Company's residual assets in the event of liquidation.

On 29 June 2010, the Company declared a dividend of USD 3.54 per share amounting to USD 725 million which was fully paid during the period from 29 June 2010 to 31 December 2010.

On 17 December 2010, the Company declared a dividend of USD 3.40 per share amounting to USD 696 million, out of which USD 73 million remained unpaid as of 31 December 2010.

On 29 June 2011, the Company declared a dividend of USD 4.65 per share amounting to USD 952 million out of which USD 8 million remained unpaid as of 31 December 2011.

The IFRS consolidated financial statements of the Group are the basis for the profit distribution and other appropriations.

### Earnings per share

Earnings per share ("EPS") is calculated by dividing profit for the year attributable to ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for shares purchased by the Group and held as treasury shares. Profit for the year attributable to owners of the Company is allocated between the Company's ordinary and preference shares at a ratio of 1:1 in accordance with their participation rights as described in the Company's charter. Profit from continuing and discontinued operations attributable to ordinary shareholders of the Company for the year ended 31 December 2011 was USD 1,381 million (year ended 31 December 2010: USD 1,178 million). The weighted average number of ordinary shares outstanding during the year ended 31 December 2011 was 152,275,527 (31 December 2010: 162,295,807). Reciprocal interests relating to Sistema-invest's ownership in the Group are deducted from the total outstanding shares in computing the weighted average number of outstanding ordinary shares.

## 20. BORROWINGS

| | 31 December 2011 | | 31 December 2010 | |
|---|---|---|---|---|
| | Rate, % | Outstanding balance | Rate, % | Outstanding balance |
| **Non-current liabilities** | | | | |
| Unsecured fixed interest rate borrowings | 7.75%-8.95% | 2,403 | 11.9%-12.0% | 1,466 |
| Unsecured non-convertible bonds issued in December 2011 | 9.35% | 310 | - | - |
| Secured floating rate borrowings | Libor 1M +1.55% | 248 | - | - |
| Secured fixed interest rate borrowings | 16.0% | 4 | 16.0% | 19 |
| Unsecured non-convertible bonds issued in December 2009 | - | - | 12.5% | 1,633 |
| **Total** | | 2,965 | | 3,118 |
| **Current liabilities** | | | | |
| Unsecured non-convertible bonds issued in December 2009 | 12.5% | 355 | - | - |
| Current portion of secured floating rate borrowings | Libor 1M +1.55% | 50 | - | - |
| Current portion of secured fixed interest rate borrowings | 16.0% | 15 | 16.0% | 14 |
| Short-term unsecured fixed interest rate borrowings | - | - | 3.6%-7.2% | 773 |
| Short-term fixed interest rate secured borrowings | - | - | 4.5%-20.0% | 8 |
| **Total** | | 420 | | 795 |

### Unsecured non-convertible bonds

On 22 December 2009, the Group issued 50,000,000 non-convertible RUB-denominated bonds at a par value of RUB 1,000. The bonds have a coupon rate of 12.5% from issuance date to 21 December 2012 per annum, payable semi-annually. Subsequent coupon rates are to be determined in December 2012 at which point bondholders have the right to redeem the bonds at par value. In October 2011, the Group filed a voluntary buy-back offer, as a result of which 38,496,306 bonds were bought back at value of RUB 1,050. Excess of purchase price over the par value of bonds in the amount of USD 65 million was recognised in the consolidated statement of comprehensive income.

In December 2011, the Group issued 10,000,000 non-convertible RUB-denominated bonds at a par value of RUB 1,000. The bonds have a coupon rate of 9.35 % from issuance date to 6 December 2013 per annum, payable semi-annually. Subsequent coupon rates are to be determined in December 2013 at which point bondholders have the right to redeem the bonds at par value.

### Secured borrowings

At 31 December 2011, secured floating interest rate borrowing is denominated in USD and repayable in equal instalments from September 2012 till September 2014. Borrowing is secured by assignment rights for proceeds from crude oil export sales.

### Unsecured borrowings

At 31 December 2011, fixed interest rate unsecured borrowings are denominated in RUB and were obtained from a variety of lenders. The borrowings mature from 2013 through 2018 (31 December 2010: denominated in RUB and USD with maturity from 2011 to 2017).

## 21. OTHER NON-CURRENT LIABILITIES

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Defined benefit obligation | 15 | 37 |
| Non-current portion of phantom share plan | 9 | 9 |
| Other non-current liabilities | - | 3 |
| **Total** | **24** | **49** |

### Defined benefit plans

The Group operates a number of unfunded defined benefit plans for its employees. In accordance with these plans, the employees are entitled to certain benefits in accordance with the terms of collective agreements (such as retirement bonus, anniversary bonus, reimbursement of funeral costs).

### Phantom share plan

In 2010, the Company granted share appreciation rights to key management personnel of the Group. In accordance with the terms of the plan, the eligible employees are entitled to a cash payment based on a number of vested phantom shares, the value of which is to be determined by an independent appraiser at each vesting date. The program has 3 stages and is effective during the period from 2010 to 2012. Liabilities under the phantom share plan were as follows:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Balance at the beginning of the year** | **13** | **-** |
| Granted during the year | 23 | 13 |
| Paid during the year | (6) | - |
| Effect of translation to presentation currency | (2) | - |
| **Balance at the end of the year** | **28** | **13** |

Current and non-current portions of liability under phantom share plan are as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Current portion (refer to note 22) | 19 | 4 |
| Non-current portion | 9 | 9 |
| **Total** | **28** | **13** |

## 22. TRADE AND OTHER PAYABLES

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Financial liabilities** | | |
| Trade payables and other payables | 559 | 474 |
| Interest payable | 6 | 21 |
| **Non-financial liabilities** | | |
| Salary payable and accrued vacation liabilities | 142 | 160 |
| Current portion of phantom share plan (refer to note 21) | 19 | 4 |
| **Total** | **726** | **659** |

The average credit period on purchase of the majority of inventories and services consumed is 36 days (31 December 2010: 35 days). No interest is charged on the outstanding balance of trade and other payables during this period.

## 23. TAXES

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Other taxes receivable** | | |
| VAT recoverable | 370 | 285 |
| Custom duties prepaid | 348 | 252 |
| Other taxes | 168 | 148 |
| **Total** | **886** | **685** |
| **Other taxes payable** | | |
| VAT | 115 | 120 |
| Mineral extraction tax | 147 | 103 |
| Excise tax | 145 | 51 |
| Other taxes | 59 | 44 |
| **Total** | **466** | **318** |

## 24. PROVISIONS

Provisions at 31 December 2011 include an amount of USD 80 million (31 December 2010: USD 83 million) in relation to legal claims brought against the Group. The provision charge is recognised in profit or loss within other operating expenses. The balance at 31 December 2011 is expected to be settled in 2012. In management's opinion the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2011.

## 25. RELATED PARTIES

At 31 December 2011 and 31 December 2010, the Group had the following outstanding balances with related parties:

| | Amount owed by related parties | |
|---|---|---|
| | 31 December 2011 | 31 December 2010 |
| Sistema-invest | 698 | 786 |
| Other Sistema Group companies | 471 | 118 |
| Associates and joint ventures of the Group | 173 | - |
| **Total** | **1,342** | **904** |

| | Amount owed to related parties | |
|---|---|---|
| | 31 December 2011 | 31 December 2010 |
| Associates and joint ventures of the Group | 29 | - |
| Sistema Group companies | 19 | 44 |
| Other related parties | - | 16 |
| **Total** | **48** | **60** |

The amounts outstanding were unsecured and are expected to be net settled or settled in cash. The Group does not create an allowance for doubtful receivables in respect of outstanding balances of related parties. No balances owed by related parties were past due but not impaired.

No expense has been recognised in the current year for bad debts in respect of amounts owed by related parties.

As a result of exchange of Bashkirenergo's stake to share in Sistema-invest which is common control entity (refer to note 4), transactions with Bashkirenergo were included in the table below from the date of disposal till 31 December 2011.

The Group entered into the following transactions with related parties:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Sistema-invest** | | |
| Dividends declared | 95 | 275 |
| Loans issued | - | 1,661 |
| Proceeds from repayment of loans issued | - | 607 |
| Interest income | 29 | 29 |
| **Other Sistema Group companies and its affiliates** | | |
| Dividends declared | 476 | 753 |
| Loans issued | - | 290 |
| Proceeds from repayment of loans issued | - | 290 |
| Sale of goods and services | 64 | 32 |
| Purchase of goods and services | 390 | 26 |
| Purchase of property | 27 | 55 |
| Interest income | 5 | 10 |
| Dividends received | 17 | - |
| Acquisition of subsidiaries | 119 | - |
| **Associates and joint ventures of the Group** | | |
| Sale of goods and services | 498 | 425 |
| Purchase of goods and services | 2 | - |
| **Key management personnel** | | |
| Acquisition of associate | - | 123 |
| **Other related parties** | | |
| Sale of goods and services | 111 | 323 |

During the year ended 31 December 2011, the Group transferred USD 30 million (year ended 31 December 2010: USD 19 million) as a donation to Charity Fund Sistema, a related party of the Group.

**Compensation of key management personnel**

The remuneration of directors and other key management personnel was as follows:

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| Wages and salaries | 24 | 42 |
| Share-based payments | 6 | 4 |
| **Total** | 30 | 46 |

At 31 December 2011, outstanding balances in respect of wages and salaries of key management personnel were USD 4 million (31 December 2010: USD 34 million).

## 26. FINANCIAL RISK MANAGEMENT

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group may adjust the amount of dividends paid to shareholders and return on capital to shareholders, issue new shares or sell assets to reduce debt, maintain or adjust the capital structure.

The Board of Directors monitors the return on capital, which the Group defines as a total net borrowings divided by OIBDA. The Group defines total net borrowings as total borrowings less cash and cash equivalents and OIBDA as operating profit adjusted for depletion, depreciation and amortisation. Since OIBDA is not a standard IFRS measure, the Group's definition of OIBDA and total net borrowings may differ from that of other companies.

The Group's gearing ratio was as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Total net borrowings | 2,504 | 2,846 |
| OIBDA | 3,192 | 2,732 |
| **Net borrowings to OIBDA ratio** | **0.78** | **1.04** |

### Major categories of financial instruments

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 881 | 1,067 |
| Trade and other receivables, excluding prepayments | 509 | 523 |
| Loans given, at amortised cost | 989 | 882 |
| Investments in Bashkirenergo held for sale | 398 | - |
| Other financial assets | 3 | - |
| Deposits | 4 | 11 |
| **Total financial assets** | **2,784** | **2,483** |
| **Financial liabilities** | | |
| Borrowings | 3,385 | 3,913 |
| Trade and other payables | 565 | 495 |
| Dividends payable | 8 | 73 |
| **Total financial liabilities** | **3,958** | **4,481** |

### Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible movements in prices for crude oil and related products, and their impact on the Group's future performance and results of the Group's operations. A decline in the prices could result in a decrease in net income and cash flows. An extended period of low prices could precipitate a decrease in development activities and could cause a decrease in the volume of reserves available for transportation and processing through the Group's systems or facilities and ultimately impact the Group's ability to deliver under its contractual obligations. The Group's overall strategy in production and sales of crude oil and related products is centrally managed.

The main risks arising from the Group's financial instruments are foreign currency and liquidity risks.

**Foreign currency risk**

Currency risk is the risk that the financial results of the Group will be adversely impacted by changes in exchange rates to which the Group is exposed. The Group undertakes certain transactions denominated in foreign currencies and is exposed primarily with respect to the US Dollar.

The Group manages its net exposure to foreign exchange risk by balancing both financial assets and financial liabilities denominated in Russian Rouble and US Dollar. The Group does not use derivatives to manage its foreign currency risk exposure.

The carrying amount of the Group's US-dollar denominated monetary assets and liabilities at 31 December 2011 and 31 December 2010 were as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| **Assets** | | |
| Trade and other receivables, excluding prepayments | 345 | 293 |
| Loans given, at amortised cost | 155 | - |
| Cash and cash equivalents | 35 | 430 |
| **Total assets** | **535** | **723** |
| **Liabilities** | | |
| Loans and borrowings | 298 | 201 |
| Trade and other payables | 6 | 3 |
| **Total liabilities** | **304** | **204** |

The table below details the Group's sensitivity to the strengthening of the US Dollar against the Russian Rouble by 10%. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis was applied to monetary items at the end of the period denominated in the respective currencies.

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Increase in profit before tax** | 23 | 52 |

The effect of a corresponding strengthening of the Russian Rouble against the US Dollar is approximately equal and opposite.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to settle all its liabilities as they fall due. The Group's liquidity position is carefully monitored and managed. The Group has a detailed budgeting and cash forecasting process to help ensure that it has adequate cash available to meet its payment obligations.

The following tables detail the Group's remaining contractual maturity for its financial liabilities and net-settled financial liabilities at 31 December 2011. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay or net-settle its financial liabilities.

| | Carrying amount | Contractual cash flows | 0-6 months | 6-12 months | 1-5 years | Over 5 years |
|---|---|---|---|---|---|---|
| Unsecured borrowings | 2,403 | 3,364 | 104 | 104 | 2,156 | 1,000 |
| Secured borrowings | 317 | 330 | 11 | 61 | 258 | - |
| Unsecured non-convertible bonds | 665 | 770 | 37 | 394 | 339 | - |
| Dividends payable | 8 | 8 | 8 | - | - | - |
| Trade and other payables | 565 | 565 | 565 | - | - | - |
| **Total** | **3,958** | **5,037** | **725** | **559** | **2,753** | **1,000** |

The following tables detail the Group's remaining contractual maturity for its financial liabilities and net-settled financial liabilities at 31 December 2010. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay or net-settle its financial liabilities.

| | Carrying amount | Contractual cash flows | 0-6 months | 6-12 months | 1-5 years | Over 5 years |
|---|---|---|---|---|---|---|
| Unsecured borrowings | 2,239 | 3,430 | 111 | 874 | 704 | 1,741 |
| Secured borrowings | 41 | 46 | 9 | 9 | 28 | - |
| Unsecured non-convertible bonds | 1,633 | 2,051 | 103 | 103 | 1,845 | - |
| Dividends payable | 73 | 73 | 73 | - | - | - |
| Trade and other payables | 495 | 495 | 495 | - | - | - |
| **Total** | **4,481** | **6,095** | **791** | **986** | **2,577** | **1,741** |

For the management of its day to day liquidity requirements the management had following financing facilities.

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Committed credit facilities | 1,941 | 948 |
| Less: amounts withdrawn | (1,213) | (56) |
| **Total unused credit facilities** | **728** | **892** |

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The table below detail's the Group's annualised sensitivity to change of floating LIBOR rate by 1% which would impact its operations. The analysis was applied to borrowings based on the assumptions that amount of liability outstanding at the date of statements of financial position was outstanding from the whole period.

| | Year ended 31 December 2011 | Year ended 31 December 2010 |
|---|---|---|
| **Profit/Loss** | **3** | **-** |

## 27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

As at 31 December 2011 and 31 December 2010 management believes that the carrying values of all significant financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximated their fair values, except for the unsecured non-convertible bonds with carrying value of USD 668 million and fair value USD 650 million (31 December 2010: carrying value of USD 1,633 million and fair value USD 1,518 million).

Management believes that the carrying value of financial assets and liabilities approximated their fair values due to (i) their short-term nature for current financial assets and liabilities, (ii) the fact that interest rates on loans receivable approximate current market rates for similar debt instruments, and (iii) the fact that the interest rates on long-term liabilities approximate the current market rates for similar instruments as the majority of loans and borrowings were obtained in 2010-2011.

The Group do not have any financial instruments that are measured subsequent to initial recognition at fair value.

## 28. COMMITMENTS AND CONTINGENCIES

### Capital commitments

At 31 December 2011, contractual capital commitments of the Group amounted to USD 192 million (31 December 2010: USD 176 million). These commitments are expected to be settled during 2012.

### Operating leases: Group as a lessee

The Group leases certain production equipment, transport and office premises. The leases typically run for periods varying from 1 to 10 years with no renewal option at the end of the lease term. In addition to the above, the Group's extraction, refining, marketing and distribution and other facilities are located under operating leases, which expire in various years through 2060.

The amount of rental expenses for the year ended 31 December 2011 were USD 37 million (for the year ended 31 December 2010: USD 37 million).

Future minimum rental expenses under non-cancellable operating leases are as follows:

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| Due in one year | 32 | 37 |
| Due from one to five years | 103 | 105 |
| Thereafter | 475 | 514 |
| **Total** | **610** | **656** |

### Taxation contingencies in the Russian Federation

The taxation system in the Russian Federation is at a relatively early stage of development, and is characterised by numerous taxes, frequent changes and inconsistent enforcement at federal, regional and local levels.

The government of the Russian Federation has commenced a revision of the Russian tax system and passed certain laws implementing tax reform. The new laws reduce the number of taxes and overall tax burden on businesses and simplify tax litigation. However, these new tax laws continue to rely heavily on the interpretation of local tax officials and fail to address many existing problems. Many issues associated with practical implication of new legislation are unclear and complicate the Group's tax planning and related business decisions.

In terms of Russian tax legislation, authorities have a period of up to three years to re-open tax declarations for further inspection. Changes in the tax system that may be applied retrospectively by authorities could affect the Group's previously submitted and assessed tax declarations.

While management believes that it has adequately provided for tax liabilities based on its interpretation of current and previous legislation, the risk remains that tax authorities in the Russian Federation could take differing positions with regard to interpretive issues. This uncertainty may expose the Group to additional taxation, fines and penalties that could be significant.

With regard to matters where practice concerning payment of taxes is unclear, management estimated possible tax exposure at 31 December 2011, to be approximately of USD 550 million (31 December 2010: USD 184 million).

**Legal contingencies**

At 31 December 2011, unresolved legal claims against the Group amounted to USD 40 million (31 December 2010: USD 50 million). Management estimates the unfavourable outcome of the legal claims to be possible.

**Insurance**

The insurance industry in the Russian Federation is in a developing stage and many forms of insurance protection common in developed markets are not generally available.

The Group does not have full coverage for property damage, for business interruption and third party liabilities in respect of environmental damage arising from accidents on the Group's property or relating to the Group's operations. Until the Group obtains adequate insurance coverage, there is a risk that the losses could have a material adverse effect on the Group's operations and financial position.

**Russian Federation economic environment**

Emerging markets such as Russian Federation are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Russian Federation and the country's economy in general.

Laws and regulations affecting businesses in the Russian Federation continue to change rapidly. Tax, currency and customs legislation within the country are subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Russia. The future economic direction of the Russian Federation is heavily influenced by the economic, fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. Additionally there is increased uncertainty about the creditworthiness of some sovereign states in the Eurozone and financial institutions with exposure to the sovereign debt of such states. These conditions could slow or disrupt Russia economy, adversely affect the Group's access to capital and cost of capital for the Group and, more generally, its business, results of operations, financial condition and prospects.

Because Russia produces and exports large volumes of oil and gas, country's economy is particularly sensitive to the price of oil and gas on the world market which has fluctuated significantly during 2011 and 2010.

Totally stitched, numbered
and sealed 62 pages
I.V. Marchenko /signed/

/sealed/

The Russian Federation

Branch of Joint Stock Oil Company Bashneft.

Moscow Office of Joint Stock Oil Company Bashneft.

Open Joint Stock Company. Joint Stock Oil Company Bashneft.

OGRN1020202555240 INN 0274051582 JSOC Bashneft

The city of Moscow. The third day of August in the year two thousand and twelve.
I, Baranovskaya Lyudmila Igorevna, Notary of the city of Moscow, certify this to be a true copy of the document, the latter containing no erasures, or additions, crossed out words, or other unspecified corrections, or any peculiarities.

Registered under No. 11к2 - 7383
Fee paid: 3150 Rbls.
Notary: /signed/
/Official seal/
Notary of the city of Moscow
Baranovskaya L. I.

Перевела: Тамурова Т. В.

Город Москва, третьего августа две тысячи двенадцатого года.
Я, Барановская Людмила Игоревна, нотариус города Москвы, свидетельствую подлинность подписи, сделанной переводчиком Тамуровой Татьяной Васильевной в моем присутствии. Личность его установлена.

Зарегистрировано в реестре за № 3П - 1968
Взыскано по тарифу 700 руб.
Нотариус

*Я, Рябый Р.Е., начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации, удостоверяю подлинность подписи*

*Барановской Людмилы Игоревны,*

*нотариуса города Москвы,*

*уполномоченного на совершение нотариальных действий, и подлинность оттиска гербовой печати данного нотариуса.*

*Начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации* *Р.Е. Рябый*

*г. Москва*

*№ 1244*

*«15» февраля 2013г.*

Консульский департамент
Министерства иностранных дел России
удостоверяет подлинность
предстоящей подписи
" " 20 г.
Начальник отдела Консульского департамента
МИД России
/ Марков Р.Ф. /

NO. 20/2013

Certified that the seal and signature of the Consular Officer of the Ministry of Foreign Affairs are real and authentic. The Embassy of the Republic of the Union of Myanmar in Moscow assumes no responsibility for the contents of the documents.

07/03/2013

TIN MAUNG WINN
FIRST SECRETARY

07. 03. 2013

*Пронумеровано, прошнуровано и скреплено печатью*

сто семнадцать *лист(-а,ов).*

*Начальник отдела по вопросам легализации и апостиля Департамента международного права и сотрудничества Министерства юстиции Российской Федерации*

*Р.Е. Рябый*

Sun Apex Holdings Limited.

(OIL)

# CERTIFICATE OF INCUMBENCY

## SUN APEX HOLDINGS LIMITED

We, Offshore Incorporations Limited of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, being the duly appointed Registered Agent of **SUN APEX HOLDINGS LIMITED** (the "Company"), a BVI Business Company incorporated in the British Virgin Islands on 8 August 2011 with Company Number 1664961, to the best of our knowledge and according to our records, hereby certify the following:-

(1) The Company is in good standing in the British Virgin Islands.

(2) The Registered Office of the Company is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

(3) That as far as can be determined from the documents retained at the Registered Office of the Company:

(i) The current director(s):

| Name | Date Appointed |
|---|---|
| U Myo Thant | 5 September 2011 |
| U Moe San Aung | 17 February 2012 |

(ii) The current shareholder(s):

| Name | No. of Share(s) Held |
|---|---|
| U Myo Thant | 50 |
| Nang Lang Kham | 50 |

(iii) The Company is authorised to issue a maximum of 50,000 shares of a single class each with a par value of USD1.00.

(iv) The Company does not maintain at its Registered Office a copy of a register of charges under section 162 of the BVI Business Companies Act (the "Act"). It should be noted that a Register of Registered Charges in respect of the Company may be kept at the Registry of Corporate Affairs pursuant to section 163 of the Act. The keeping of any such Register of Registered Charges is independent of the keeping of any register at its Registered Office and the contents of a Register of Registered Charges may not correspond with those of any register at the Registered Office.

Signed on 25 October 2013

For and on behalf of
Offshore Incorporations Limited

Authorised Signatory

OFFSHORE INCORPORATIONS LIMITED
COMMON SEAL

ORIGINAL

Name of Company SUN APEX HOLDINGS LIMITED

Company Number 1664961

## REGISTER OF DIRECTORS

| Date of Appointment | Full Name (Any Former Names or Alias) | Nationality and ID/PPT No. | Residential Address (or Registered Office Address) | Business Occupation or Other Directorship | Date of Ceasing to Act | Entry Made By |
|---|---|---|---|---|---|---|
| 5 September 2011 | U Myo Thant | Myanmese 522951 | 2/1 Thanthu Mar St, Thinganggun, Ward 23, Yangon, Myanmar | Businessman | | |
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PLEASE NOTE: THE FIRST REGISTERED AGENT OF THE COMPANY SHALL, WITHIN 6 MONTHS FROM THE DATE OF INCORPORATION OF THE COMPANY, APPOINT ONE OR MORE PERSONS AS THE FIRST DIRECTORS OF THE COMPANY. THE ORIGINAL OR COPY OF THIS REGISTER MUST BE KEPT AT THE OFFICE OF THE COMPANY'S REGISTERED AGENT. IF A COPY THEN PLEASE NOTIFY THE REGISTERED AGENT IN WRITING OF THE PHYSICAL ADDRESS OF THE ORIGINAL.

ORIGINAL

Name of Company SUN APEX HOLDINGS LIMITED

Company Number 1664961

# REGISTER OF MEMBERS

| | | | |
|---|---|---|---|
| Full Name | U Myo Thant | Occupation | Businessman |
| Date Entered as a Member | 5 September 2011 | Date of Ceasing to be Member | |
| Address | 2/1 Thanthu Mar St, Thinganggun, Ward 23, Yangon, Myanmar | | |

| Date | Shares Acquired | | | | | Shares Transferred | | | | | | Total Shares Held | Remarks | Entry Made By |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Certificate Number | Distinctive Nos. | | No. of Shares | Consideration Paid | No. of Transfer Deed | Certificate Number | Distinctive Nos. | | No. of Shares | Consideration Paid | | | |
| | | From | To | | | | | From | To | | | | | |
| 5 September 2011 | 1 | - | - | -100- | US$100.00 | | | | | | | -100- | Allotment | |
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|---|---|---|---|
| Full Name | NANG LANG KHAM | Occupation | |
| Date Entered as a Member | 17 February 2012 | Date of Ceasing to be Member | |
| Address | 615/1, PYAY ROAD, KAMAYUT, YANGON, MM. MYANMAR. M219811 | | |

| Date | Shares Acquired | | | | | Shares Transferred | | | | | | Total Shares Held | Remarks | Entry Made By |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Certificate Number | Distinctive Nos. | | No. of Shares | Consideration Paid | No. of Transfer Deed | Certificate Number | Distinctive Nos | | No. of Shares | Consideration Paid | | | |
| | | From | To | | | | | From | To | | | | | |
| 17 February 2012 | 2 | - | - | - 50 - | US$ 50.00 | | | | | | | - 50 - | Allotment | |
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| Page No | 1 | Class of Share | ORD | Par Value Per Share | US$1.00 |
|---|---|---|---|---|---|

PLEASE NOTE: THE ORIGINAL OR COPY OF THIS REGISTER MUST BE KEPT AT THE OFFICE OF THE COMPANY'S REGISTERED AGENT. IF A COPY THEN PLEASE NOTIFY THE REGISTERED AGENT IN WRITING OF THE PHYSICAL ADDRESS OF THE ORIGINAL.

BVI06

**TERRITORY OF THE BRITISH VIRGIN ISLANDS**
**BVI BUSINESS COMPANIES ACT, 2004**

# CERTIFICATE OF INCORPORATION
**(SECTION 7)**

The REGISTRAR of CORPORATE AFFAIRS, of the British Virgin Islands HEREBY CERTIFIES, that pursuant to the BVI Business Companies Act, 2004, all the requirements of the Act in respect of incorporation having been complied with,

**SUN APEX HOLDINGS LIMITED**

BVI COMPANY NUMBER: **1664961**

is incorporated in the BRITISH VIRGIN ISLANDS as a BVI BUSINESS COMPANY, this 8th day of August, 2011.

REGISTRAR OF CORPORATE AFFAIRS
BVI FINANCIAL SERVICES COMMISSION
FSC

*for* **REGISTRAR OF CORPORATE AFFAIRS**
8th day of August, 2011

BVI COMPANY NUMBER: 1664961

# TERRITORY OF THE BRITISH VIRGIN ISLANDS
# THE BVI BUSINESS COMPANIES ACT, 2004

## MEMORANDUM AND ARTICLES

## OF ASSOCIATION

## OF

## SUN APEX HOLDINGS LIMITED

## A COMPANY LIMITED BY SHARES

**Incorporated on the 8th day of August, 2011**

INCORPORATED IN THE BRITISH VIRGIN ISLANDS

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004

# MEMORANDUM OF ASSOCIATION

# OF

# SUN APEX HOLDINGS LIMITED

A COMPANY LIMITED BY SHARES

## 1. DEFINITIONS AND INTERPRETATION

1.1. In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

"**Act**" means the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;

"**Articles**" means the attached Articles of Association of the Company;

"**Chairman of the Board**" has the meaning specified in Regulation 12;

"**Distribution**" in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

"**Eligible Person**" means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

"**Memorandum**" means this Memorandum of Association of the Company;

"**Registrar**" means the Registrar of Corporate Affairs appointed under section 229 of the Act;

"**Resolution of Directors**" means either:

(a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or

(b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;

"**Resolution of Shareholders**" means either:

(a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50 percent of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(b) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Shares entitled to vote thereon;

"**Seal**" means any seal which has been duly adopted as the common seal of the Company;

"**Securities**" means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations;

"**Share**" means a share issued or to be issued by the Company;

"**Shareholder**" means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;

"**Treasury Share**" means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

"**Written**" or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and "**in writing**" shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

(a) a "**Regulation**" is a reference to a regulation of the Articles;

(b) a "**Clause**" is a reference to a clause of the Memorandum;

(c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;

(d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act, any re-enactment thereof; and

(e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

## 2. NAME

The name of the Company is SUN APEX HOLDINGS LIMITED.

## 3. STATUS

The Company is a company limited by Shares.

## 4. REGISTERED OFFICE AND REGISTERED AGENT

4.1. The first registered office of the Company is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.

4.2. The first registered agent of the Company is Offshore Incorporations Limited of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

4.3. The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.

4.4. Any change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

## 5. CAPACITY AND POWERS

5.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for the purposes of paragraph (a), full rights, powers and privileges.

5.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

## 6. NUMBER AND CLASSES OF SHARES

6.1. Shares in the company shall be issued in the currency of the United States of America.

6.2. The Company is authorised to issue a maximum of 50,000 Shares of a single class each with a par value of US$1.00.

6.3. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of Shares.

6.4. Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.

## 7. RIGHTS OF SHARES

7.1. Each Share in the Company confers upon the Shareholder:

(a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;

(b) the right to an equal share in any dividend paid by the Company; and

(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

7.2. The Company may by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

**8. VARIATION OF RIGHTS**

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Shares in that class.

**9. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU**

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

**10. REGISTERED SHARES**

10.1. The Company shall issue Registered Shares only.

10.2. The Company is not authorised to issue Bearer Shares, convert Registered Shares to Bearer Shares or exchange Registered Shares for Bearer Shares.

**11. TRANSFER OF SHARES**

11.1. Subject to Clause 13, the Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 6.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

11.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

**12. AMENDMENT OF THE MEMORANDUM AND THE ARTICLES**

12.1. Subject to Clause 8, the Company may amend the Memorandum or the Articles by Resolution of Shareholders or by Resolution of Directors save that no amendment may be made by Resolution of Directors:

(a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;

(b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or the Articles;

(c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders; or

(d) to Clauses 7, 8, 9 or this Clause 12.

12.2. Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

**13. PRIVATE COMPANY**

The Company is a private company, and accordingly:

(a) any invitation to the public to subscribe for any Shares or debentures of the Company is prohibited;

(b) the number of the members of the Company (not including persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were, while in such employment, and have continued after the determination of such employment to be, members of the Company) shall be limited to fifty PROVIDED that where two or more persons hold one or more Shares in the Company jointly they shall, for the purposes of this Clause 13, be treated as a single member;

(c) the right to transfer the Shares of the Company shall be restricted in manner herein prescribed; and

(d) the Company shall not have power to issue Share Warrants to Bearer.

We, OFFSHORE INCORPORATIONS LIMITED of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 8th day of August, 2011.

Incorporator

......................................................

(Sd.) Rexella D. Hodge
Authorised Signatory
OFFSHORE INCORPORATIONS LIMITED

REGISTRAR OF CORPORATE AFFAIRS

# TERRITORY OF THE BRITISH VIRGIN ISLANDS
# THE BVI BUSINESS COMPANIES ACT, 2004

# ARTICLES OF ASSOCIATION

# OF

# SUN APEX HOLDINGS LIMITED

## A COMPANY LIMITED BY SHARES

**1. REGISTERED SHARES**

1.1. Every Shareholder is entitled to a certificate signed by a director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorised person and the Seal may be facsimiles.

1.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by Resolution of Directors.

1.3. If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

**2. SHARES**

2.1. Shares and other Securities may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.

2.2. Section 46 of the Act *(Pre-emptive rights)* does not apply to the Company.

2.3. A Share may be issued for consideration in any form, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.

2.4. The consideration for a Share with par value shall not be less than the par value of the Share. If a Share with par value is issued for consideration less than the par value, the person to whom the Share is issued is liable to pay to the Company an amount equal to the difference between the issue price and the par value.

2.5. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:

(a) the amount to be credited for the issue of the Shares;

(b) the determination of the directors of the reasonable present cash value of the non-money consideration for the issue; and

(c) that, in the opinion of the directors, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.

2.6. The consideration paid for any Share, whether a par value Share or a no par value Share, shall not be treated as a liability or debt of the Company for the purposes of

(a) the solvency test in Regulations 3 and 18; and

(b) sections 197 and 209 of the Act.

2.7. The Company shall keep a register (the "**register of members**") containing:

(a) the names and addresses of the Eligible Persons who hold Shares;

(b) the number of each class and series of Shares held by each Shareholder;

(c) the date on which the name of each Shareholder was entered in the register of members; and

(d) the date on which any Eligible Person ceased to be a Shareholder.

2.8. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.

2.9. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

**3. REDEMPTION OF SHARES AND TREASURY SHARES**

3.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.

3.2. The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

3.3. Sections 60 (*Process for acquisition of own Shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.

3.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.

3.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

3.6. Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.

3.7. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 percent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

## 4. MORTGAGES AND CHARGES OF SHARES

4.1. Shareholders may mortgage or charge their Shares.

4.2. There shall be entered in the register of members at the written request of the Shareholder:

(a) a statement that the Shares held by him are mortgaged or charged;

(b) the name of the mortgagee or chargee; and

(c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.

4.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

(a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or

(b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

4.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

(a) no transfer of any Share the subject of those particulars shall be effected;

(b) the Company may not purchase, redeem or otherwise acquire any such Share; and

(c) no replacement certificate shall be issued in respect of such Shares,

without the written consent of the named mortgagee or chargee.

## 5. FORFEITURE

5.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note, other written obligation to contribute money or property or a contract for future services are deemed to be not fully paid.

5.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

5.3. The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

5.4. Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

5.5. The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

6. **TRANSFER OF SHARES**

6.1. Subject to the Memorandum, Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.

6.2. The transfer of a Share is effective when the name of the transferee is entered on the register of members.

6.3. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:

(a) to accept such evidence of the transfer of Shares as they consider appropriate; and

(b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

6.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

7. **MEETINGS AND CONSENTS OF SHAREHOLDERS**

7.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.

7.2. Upon the written request of Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.

7.3. The director convening a meeting shall give not less than 7 days' notice of a meeting of Shareholders to:

(a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and

(b) the other directors.

7.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.

7.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.

7.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.

7.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

7.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

7.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

> [COMPANY NAME]
>
> I/We being a Shareholder of the above Company HEREBY APPOINT ……………… of …………………………… or failing him ………………………… of ……………………………… to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the …… day of ……………………, 20…… and at any adjournment thereof.
>
> (Any restrictions on voting to be inserted here.)
>
> Signed this …… day of ……………………, 20……
>
> ……………………………
>
> Shareholder

7.10. The following applies where Shares are jointly owned:

(a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

7.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.

7.12. A meeting of Shareholders is duly constituted if at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders.

7.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

7.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.

7.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

7.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

7.17. Subject to the specific provisions contained in this Regulation for the appointment of representatives of Eligible Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Eligible Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.

7.18. Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.

7.19. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.

7.20. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.

7.21. An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

## 8. DIRECTORS

8.1. The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors.

8.2. No person shall be appointed as a director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director or to be nominated as a reserve director.

8.3. Subject to Sub-Regulation 8.1, the minimum number of directors shall be one and there shall be no maximum number.

8.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.

8.5. A director may be removed from office,

(a) with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the Shareholders of the Company entitled to vote; or

(b) with cause, by Resolution of Directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.

8.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.

8.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.

8.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.

8.9. Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole director of the Company, the sole Shareholder/director may, by instrument in writing, nominate a person who is not disqualified from being a director of the Company as a reserve director of the Company to act in the place of the sole director in the event of his death.

8.10. The nomination of a person as a reserve director of the Company ceases to have effect if:

(a) before the death of the sole Shareholder/director who nominated him,

(i) he resigns as reserve director, or

(ii) the sole Shareholder/director revokes the nomination in writing; or

(b) the sole Shareholder/director who nominated him ceases to be able to be the sole Shareholder/director of the Company for any reason other than his death.



8.11. The Company shall keep a register of directors containing:

(a) the names and addresses of the persons who are directors of the Company or who have been nominated as reserve directors of the Company;

(b) the date on which each person whose name is entered in the register was appointed as a director, or nominated as a reserve director, of the Company;

(c) the date on which each person named as a director ceased to be a director of the Company;

(d) the date on which the nomination of any person nominated as a reserve director ceased to have effect; and

(e) such other information as may be prescribed by the Act.

8.12. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.

8.13. The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

8.14. A director is not required to hold a Share as a qualification to office.

## 9. POWERS OF DIRECTORS

9.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.

9.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.

9.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.

9.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.

9.5. The continuing directors may act notwithstanding any vacancy in their body.

9.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.

9.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

9.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

## 10. PROCEEDINGS OF DIRECTORS

10.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.

10.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.

10.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

10.4. A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

10.5. A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote in place of the director until the appointment lapses or is terminated.

10.6. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.

10.7. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

10.8. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.

10.9. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

## 11. COMMITTEES

11.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.

11.2. The directors have no power to delegate to a committee of directors any of the following powers:

(a) to amend the Memorandum or the Articles;

(b) to designate committees of directors;

(c) to delegate powers to a committee of directors;

(d) to appoint or remove directors;

(e) to appoint or remove an agent;

(f) to approve a plan of merger, consolidation or arrangement;

(g) to make a declaration of solvency or to approve a liquidation plan; or

(h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

11.3. Sub-Regulation 11.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.

11.4. The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

11.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

## 12. OFFICERS AND AGENTS

12.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.

12.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

12.3. The emoluments of all officers shall be fixed by Resolution of Directors.

12.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.

12.5. The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.

12.6. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:

(a) to amend the Memorandum or the Articles;

(b) to change the registered office or agent;

(c) to designate committees of directors;

(d) to delegate powers to a committee of directors;

(e) to appoint or remove directors;

(f) to appoint or remove an agent;

(g) to fix emoluments of directors;

(h) to approve a plan of merger, consolidation or arrangement;

(i) to make a declaration of solvency or to approve a liquidation plan;

(j) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or

(k) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

12.7. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

12.8. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

## 13. CONFLICT OF INTERESTS

13.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

13.2. For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

13.3. A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

(a) vote on a matter relating to the transaction;

(b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and

(c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction;

and, subject to compliance with the Act shall not by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

## 14. INDEMNIFICATION

14.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or

(b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

14.2. The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

14.3. For the purposes of Sub-Regulation 14.2, a director acts in the best interests of the Company if he acts in the best interests of

(a) the Company's holding company; or

(b) a Shareholder or Shareholders of the Company;

in either case, in the circumstances specified in Sub-Regulation 9.3 or the Act, as the case may be.

14.4. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

14.5. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

14.6. Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.

14.7. Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.

14.8. The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.

14.9. If a person referred to in Sub-Regulation 14.1 has been successful in defence of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

14.10. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

## 15. RECORDS

15.1. The Company shall keep the following documents at the office of its registered agent:

(a) the Memorandum and the Articles;

(b) the register of members, or a copy of the register of members;

(c) the register of directors, or a copy of the register of directors; and

(d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.

15.2. Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.

15.3. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:

(a) within 15 days of any change in either register, notify the registered agent in writing of the change; and

(b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.

15.4. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:

(a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;

(b) minutes of meetings and Resolutions of Directors and committees of directors; and

(c) an impression of the Seal.

15.5. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

15.6. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

## 16. REGISTER OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

(a) the date of creation of the charge;

(b) a short description of the liability secured by the charge;

(c) a short description of the property charged;

(d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;

(e) unless the charge is a security to bearer, the name and address of the holder of the charge; and

(f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

## 17. SEAL

The Company shall have a Seal and may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

## 18. DISTRIBUTIONS BY WAY OF DIVIDEND

18.1. The directors of the Company may, by Resolution of Directors, authorise a Distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

18.2. Dividends may be paid in money, Shares, or other property.

18.3. Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

18.4. No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

## 19. ACCOUNTS AND AUDIT

19.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.

19.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.

19.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.

19.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders or by Resolution of Directors.

19.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.

19.6. The remuneration of the auditors of the Company may be fixed by Resolution of Directors.

19.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and

(b) all the information and explanations required by the auditors have been obtained.

19.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.

19.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

19.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

## 20. NOTICES

20.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.

20.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.

20.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

## 21. VOLUNTARY LIQUIDATION

The Company may by Resolution of Shareholders or by Resolution of Directors appoint a voluntary liquidator.

## 22. CONTINUATION

The Company may by Resolution of Shareholders or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, OFFSHORE INCORPORATIONS LIMITED of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 8th day of August, 2011.

Incorporator

......................................................

(Sd.) Rexella D. Hodge
Authorised Signatory
OFFSHORE INCORPORATIONS LIMITED

(ပူးတွဲ-၇)

ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ)၌ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နယ်သာလန်နိုင်ငံမှ Bashneft International B.V. နှင့် မြန်မာနိုင်ငံမှ Sun Apex Holdings Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည်ဖြစ်ပါသည်။

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန် အဆိုပြုချက်

# PROPOSAL OF THE PROMOTER TO MAKE FOREIGN INVESTMENT IN THE REPUBLIC OF THE UNION OF MYANMAR

**Form (I)**

# Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/902/P(558 /2014)

Date. 26 June, 2014

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

| | | |
|---|---|---|
| (a) | Name | DIRECTOR GENERAL. |
| (b) | Father's name | ENERGY PLANNING DEPARTMENT. |
| (c) | National Registration No. | MINISTRY OF ENERGY. |
| (d) | Citizenship | MYANMAR. |
| (e) | Address | BUILDING NO.6, NAY PYI TAW, MYANMAR. |
| (f) | Name of principle organization | MINISTRY OF ENERGY. |
| (g) | Type of business | PETROLEUM EXPLORATION AND DEVELOPMENT |
| (h) | Principle company's address | BUILDING NO.6, NAY PYI TAW, MYANMAR. |

2. If the investment business is formed under Joint Venture, partners-

| | | |
|---|---|---|
| (a) | Name | BASHNEFT INTERNATIONAL B.V + SUN APEX HOLDINGS LIMITED |
| (b) | Father's name | JSOC BASHNEFT + SUN APEX HOLDINGS LIMITED |
| (c) | National Registration No. | NETHERLANDS + SINGAPORE |
| (d) | Citizenship | RUSSIA + MYANMAR |

(e) Address -

(i) Address in Myanmar - BASHNEFT INTERNATIONAL B.V. (NIL)
- SUN APEX HOLDINGS LIMITED (NIL)

(ii) Residence abroad - BASHNEFT INTERNATIONAL B.V .
PRINS BERNHARDPLEIN 200,
1097 JB AMSTERDAM, NETHERLANDS,
CHAMBER OF COMMERCE: 56.598.491
- SUN APEX HOLDINGS LIMITED
2 LENG KENG ROAD, #A2-03 THYE
HONG CENTRE, SINGAPORE 159086
ATTN: MANAGING DIRECTOR
FAX: + 1 284 4945132

(f) Parent company JSOC BASHNEFT

(g) Type of business PETROLEUM.

(h) Parent company's address - JSOC BASHNEFT
5, 1$^{ST}$ TVERSKAYA-YAMSKAYA STR.,
MOSCOW, 125047, RUSSIA.
ATTN: DIRECTOR OF INTERNATIONAL
PROJECTS DEPARTMENT
TEL: +7 495 228-15-96 EXT.99830
FAX : + 7 495 228-15-97
- SUN APEX HOLDINGS LIMITED
2 LENG KENG ROAD, #A2-03 THYE
HONG CENTRE, SINGAPORE 159086
ATTN: MANAGING DIRECTOR
FAX: + 1 284 4945132

Remark : The following document need to attach according to the above paragraph (1) and (2) :-

(1) Company registration certificate (copy);

(2) National Registration Card (copy) and passport (copy);

(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -
   (a) Production - PETROLEUM.
   (b) Service business related with manufacturing
   (c) Service
   (d) Others

Remark : Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed :-
   (a) One hundred percent
   (b) Joint Venture
       (i) Foreigner and citizen IN EXPLORATION PERIOD - JSOC BASHNEFT 90%, SUN APEX HOLDINGS LIMITED 10%
       (ii) Foreigner and Government department/organization IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 15%-25%, THE REST 85%-75% (JSOC BASHNEFT 90%, SUN APEX HOLDINGS LIMITED 10%)
   (c) By contractual basis
       (i) Foreigner and citizen
       (ii) Foreigner and Government department/organization
       (to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark : The following information needs to attach for the above Paragraph(4):-

(i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;
(ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;
(iii)Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -

| | | |
|---|---|---|
| (a) | Authorized Capital | |
| (b) | Type of share | PRODUCTION SHARING CONTRACT |
| (c) | Number of shares | |

Remark : Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

| | | Kyat/US$ (Million) |
|---|---|---|
| (a) | Amount of local capital to be contributed | - |
| (b) | Amount of foreign capital To be brought in | 38.255 MMUS$ |
| | **Total** | **38.255 MMUS$** |
| (c) | Annually or period of proposed capital to be brought in | - 2014 to 2021 |
| (d) | Last date of capital brought in | 2021 |
| (e) | Proposed duration of investment | 6 Years & 6 Months |
| (f) | Commencement date of construction | 2014 |
| (g) | Construction period | 2014 to 2021 |

Remark : Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

| | | Foreign Currency (Million) | Equivalent Kyat (Million) |
|---|---|---|---|
| (a) | Foreign currency (Type and amount) | 38.255 MMUS$ | |
| (b) | Machinery and equipment and Value (to enclose detail list) | WILL BE FURNISHED LATER. | |
| (c) | List of initial raw materials and Value (to enclose detail list) | | |
| (d) | Value of licence, intellectual Property, industrial design, trade mark, patent rights, etc. | | |
| (e) | Value of technical know-how | | |
| (f) | Others | | |
| | Total | 38.255 MMUS$ | |

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

**Kyat (Million)**

(a) Amount

(b) Value of machinery and equipment (to enclose detail list) WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets (to enclose detail list) WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement (to enclose detail list)

(g) Others

**Total** ____________

9. Particulars about the investment business –

(a) Investment location(s)/place ONSHORE BLOCK EP-4

(b) Type and area requirement for land or land and building

(i) Location MAYAMAN AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(v) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark : Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(iv) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name JSOC BASHNEFT

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:-

(a) Local personnel ( ) number ( )%

WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%

WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;

(ii) Social security and welfare arrangements for personnel;

(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

| | | Foreign Currency | Equivalent Estimated Kyat | |
|---|---|---|---|---|
| | | Initial Exploration Period (3Yrs) | 1st Extension Period (2Yrs) | 2nd Extension Period (1Yr) |
| (a) | Annual income | - | - | - |
| (b) | Annual expenditure (MMUS$) | 28.436 | 6.016 | 3.803 |
| (c) | Annual net profit | - | - | - |
| (d) | Yearly investments (MMUS$) | 28.436 | 6.016 | 3.803 |
| (e) | Recoupment period | - | - | - |
| (f) | Other benefits (to enclose detail calculations) | - | - | - |

13. Evaluation of environmental impact :- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA 6 MONTHS

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA 6 MONTHS

(c) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

နောက်ဆက်တွဲ (က)

# MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is entered and effective on the 21st August, 2013 by and between:

JSOC Bashneft, a company organized and existing under the laws of the Russian Federation (company number 1020202555240) and having its registered office at 30/1 , K. Marks st., Ufa, Republic of Bashkortostan, 450077, the Russian Federation on the one hand (hereinafter - "**Bashneft**");

AND

Sun Apex Holdings Limited, a company organized and existing under the laws of the British Virgin Islands (company number 1664961), and having its registered office at 2 Leng Keng Road, #A2-03 Thye Hong Centre, Singapore 159086 on the other hand (hereinafter - "**Sun Apex**");

Bashneft and Sun Apex each individually are referred to as a "**Party**" and collectively as the "**Parties**".

The purpose of this MOU is to set forth the Parties intention to join forces in an effort to submit a joint winning bid to conduct petroleum operations in Myanmar onshore area for Block EP-4 (hereinafter - the "**Block**").

WHEREAS:

A) Bashneft and KBZ Industries had previously signed the Memorandum of understanding dated 3 April 2012 for the purpose of bidding on various oil and gas assets in Myanmar,

B) Controlling shareholders of KBZ Industries have incorporated Sun Apex for the purpose of oil and gas business,

C) KBZ Industries represented by its affiliate Sun Apex and Bashneft are interested in bidding for oil and gas assets in Myanmar.

The Parties have agreed as follows:

1. Sun Apex shall provide Bashneft with access to documents and information reasonably necessary for making a business decision regarding potential investment in exploration and production of hydrocarbons on the Block including without limitation documents and information for technical and legal due diligence.

2. Bashneft may ask Sun Apex to provide additional documents and Sun Apex shall use its best efforts to provide such documents to Bashneft for review within a reasonable time.

3. Upon completion of the documents review Bashneft shall inform Sun Apex on its business decision. Subject to the Parties' positive business decision regarding the Block, the Parties should prepare and submit to the Ministry of Energy of the Republic of the Union of Myanmar a joint bid regarding the Block. It is understood by the Parties that the deadline for a bid submission is 23 August 2013.

4. Subject to the Parties' mutual decision to proceed with the bid submission the Parties agree to participate in the bidding round on the following conditions:

    i. The participating interest in the project shall be allocated as follows: Bashneft 90% and Sun Apex 10%;

    ii. Bashneft shall lead on tender related work commitment determination and shall consult and jointly determine the final work commitment with KBZ Group;

    iii. Bashneft is designated as the operator, operatorship shall be on a no loss and no profit basis;

iv. Each Party shall finance its respective share of Participating Interest;

v. Sun Apex shall have an option to increase its Participating Interest up to 50% out of the Bashneft' Participating Interest within a period of 12 months from the date the Union Government of Myanmar awards EP-4 to the Parties.

5. The Parties agree that if they are awarded with rights to conduct petroleum operations on the Block they should negotiate and execute the relevant joint operating agreement (the "**JOA**"). The JOA shall be based on the principles of the most recent Model Form International Joint Operating Agreement of the Association of International Petroleum Negotiators.

6. The Parties hereby agree to work exclusively with one another for the purpose of the bid opportunity presented by the Union of Myanmar and such arrangement shall expire on 31 December 2013.

7. Each Party shall bear its own costs and expenses incurred in connection with this MOU and the bid.

8. This MOU and any non-contractual obligations arising out of or in connection with it shall be governed by, and interpreted in accordance with, English law.

   Any dispute arising out of or in connection with this MOU or relating to any non-contractual obligations arising out of or in connection with this MOU, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.

   A person who is not a party to this MOU shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

9. The MOU and its content as well as any and all data, information, documents exchanged between the Parties in whatever forms, shall be treated by the Parties as private and confidential and shall not be disclosed to any third party without prior written consent of a Party. The Parties agree that the MOU may be disclosed to the Ministry of Energy of the Republic of the Union of Myanmar.

10. This MOU is made in three original copies in English language. It comes in force on the date set out above in the Preamble and terminates on the date of execution of the JOA regarding the Block or within one year from the date hereof whichever comes first.

**For and on behalf of JSOC Bashneft**
30/1 Karl Marx Street, Ufa, 450077,
Russian Federation

Signature: ____________________
Igor Marchenko
Vice President for Strategy and Development

**For and behalf of Sun Apex Holdings Limited**
2 Leng Keng Road, #02-03 Thye Hong Centre,
Singapore 159086

Signature: ____________________
Moe San Aung
Managing Director

**For and behalf of Sun Apex Holdings Limited**
2 Leng Keng Road, #02-03 Thye Hong Centre,
Singapore 159086

Signature: ____________________
Myo Thant
Director

# STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR ONSHORE BLOCKS



| Sr. No. | Particulars | Standard Terms and Conditions of Production Sharing Contract for Onshore Blocks |
|---|---|---|
| 1. | Contract Area | Central Burma Basin |
| 2. | Area of Block | EP-4 |
| 3. | Type of Contract | **Production Sharing Contract (PSC)** |
| 4. | Preparation Period | - **6 months** (after the signing of the Contract)<br>- Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval.<br>**Min. Expenditure= 0.15 MMUS$**<br>**{ Contractor shall enter into Exploration Period after approval of MIC on EIA / SIA reports}** |
| 5. | Signature Bonus | **4.0 MMUS$**<br>(Payment within 30 days after approval from MIC on EIA / SIA.) |
| 6. | Exploration Period (Minimum Work Commitment and Expenditure) | **- 3 years** — **Min. Expenditure**<br>Year 1 - G & G Study and Seismic Acquisition, Processing, Interpretation (API) — 18.4 MMUS$<br>Year 2 & 3 - To drill 2 (two) well — 10.036 MMUS$<br>Total — 28,436 MMUS$<br>**{Contractor will have the option to back-off}**<br>1st Extension (**2 year** x 1 time) — **Min. Expenditure**<br>Year 4 - prospect evaluation — 1.0 MMUS$<br>Year 5 - To drill 1 (one) well — 5.016 MMUS$<br>Total — 6.016 MMUS$<br>**{Contractor will have the option to back-off}**<br>2nd Extension (**1 year** x 1 time)<br>Year 6 - To drill one (1) appraisal well<br>Min. Expenditure — 3.803 MMUS$<br>**Total Min.Expenditure for six years:** 38.255 MMUS$ |
| 7. | Production Period | 20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer. |
| 8. | Royalty | 12.5% of all Available Petroleum. |
| 9. | Cost Recovery | Maximum 50% of all Available Petroleum. |
| 10. | *Profit Petroleum Allocation* | **Crude Oil** (38.405) |
| | | BOPD — MOGE(%) — CONT(%) |
| | | 0 - 10,000 — 60 — 40 |
| | | 10,001 - 20,000 — 65 — 35 |
| | | 20,001 - 50,000 — 70 — 30 |
| | | 50,001 - 100,000 — 80 — 20 |
| | | 100,001 - 150,000 — 85 — 15 |
| | | > 150,000 — 90 — 10 |
| | | **Natural Gas** |
| | | MMCFD — MOGE(%) — CONT(%) |
| | | up to 60 — 60 — 40 |
| | | 61 - 120 — 65 — 35 |
| | | 121 - 300 — 70 — 30 |
| | | 301 - 600 — 80 — 20 |
| | | 601 - 900 — 85 — 15 |
| | | above 900 — 90 — 10 |
| 11. | Production Bonus | **Crude Oil**<br>Upon approval of Development Plan = 0.50 MMUS$<br>10,000 BOPD (for 90 consecutive days production) = 1.50 MMUS$<br>20,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$<br>50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$<br>100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$<br>150,000 BOPD (for 90 consecutive days production) = 6.00 MMUS$ |

# STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR ONSHORE BLOCKS

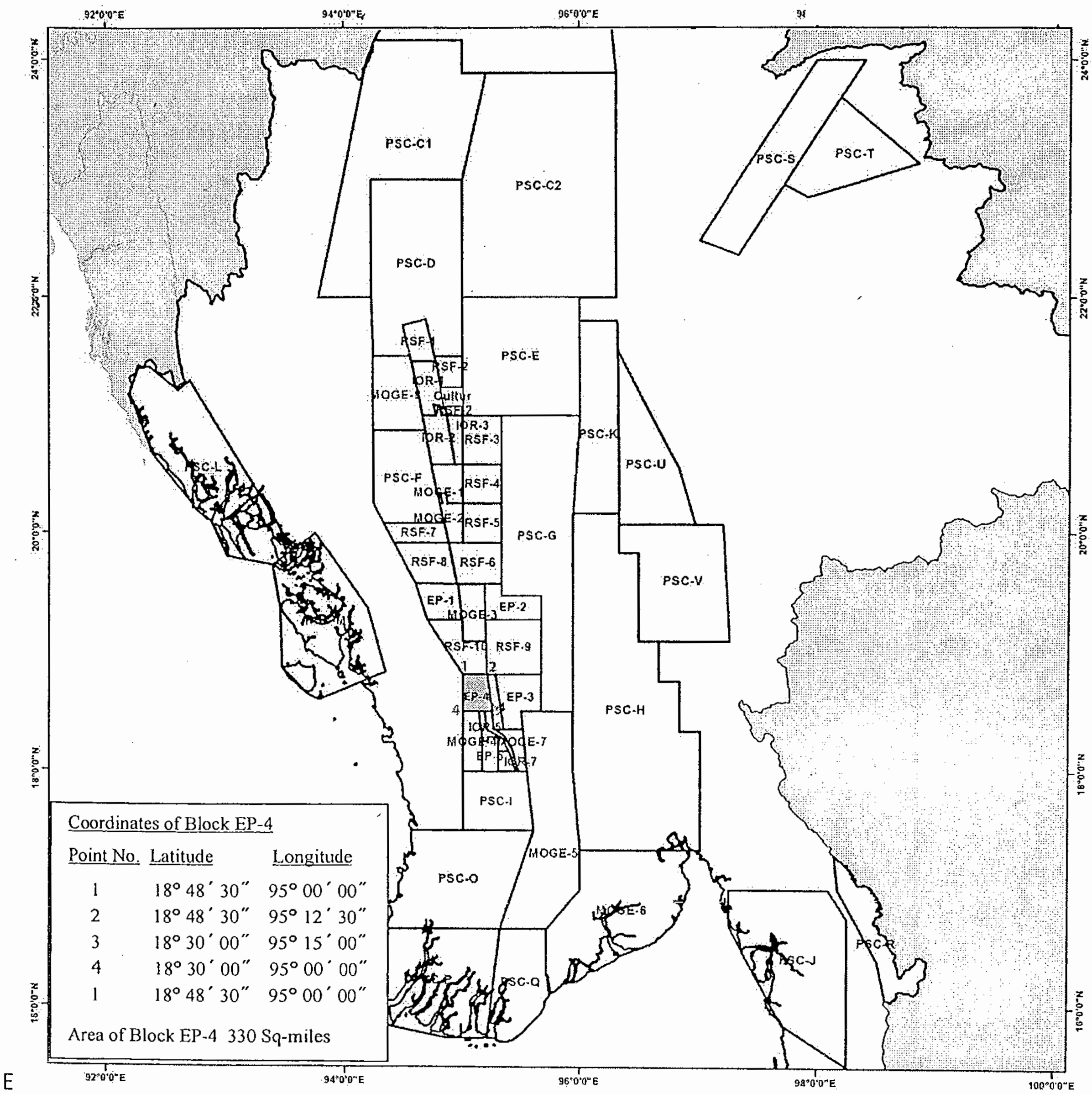


| Sr. No. | Particulars | Standard Terms and Conditions of Production Sharing Contract for Onshore Blocks |
|---|---|---|
| 11. | Production Bonus | **Natural Gas**<br>Upon approval of Development Plan = 0.50 MMUS$<br>60 MMCFD (for 90 consecutive days production) = 1.50 MMUS$<br>120 MMCFD (for 90 consecutive days production) = 2.00 MMUS$<br>300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$<br>600 MMCFD (for 90 consecutive days production) = 4.00 MMUS$<br>900 MMCFD (for 90 consecutive days production) = 6.00 MMUS$ |
| 12. | Domestic Requirement | 20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share of profit petroleum at 90% of Fair Market Prices. |
| 13. | Training Fund | Exploration Period = 25,000 US$ per Year.<br>Production Period = 50,000 US$ per Year. |
| 14. | Research and Development Fund | 0.5% of CONTRACTOR's share of Profit Petroleum. |
| 15. | State Participation. | 15 % undivided interest and MOGE has the option to extend up to 25% at its own discretion. |
| 16. | Income Tax | 25% on CONTRACTOR's Net Profit.<br>(5 years Tax Holiday starting from the Production.) |
| 17. | Governing Law | Laws of the Republic of the Union of Myanmar. |
| 18. | Arbitration | Myanmar Arbitration Act, 1944. |
| 19. | Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract | If the Company formed under the provisions of the Contract sell or transfer its shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Union Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:-<br>- If the amount of Net Profit is up to 100 MMUS$ 40%<br>- If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45%<br>- If the amount of Net Profit is over 150 MMUS$ 50% |
| 20. | EITI | MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative. |

# MAP OF CONTRACT AREA

## REPUBLIC OF THE UNION OF MYANMA

## ONSHORE BLOCK MAP




Coordinates of Block EP-4

| Point No. | Latitude | Longitude |
|---|---|---|
| 1 | 18° 48′ 30″ | 95° 00′ 00″ |
| 2 | 18° 48′ 30″ | 95° 12′ 30″ |
| 3 | 18° 30′ 00″ | 95° 15′ 00″ |
| 4 | 18° 30′ 00″ | 95° 00′ 00″ |
| 1 | 18° 48′ 30″ | 95° 00′ 00″ |

Area of Block EP-4 330 Sq-miles

# PRODUCTION SHARING CONTRACT

**FOR**

**THE EXPLORATION AND PRODUCTION OF PETROLEUM**

**BETWEEN**

## MYANMA OIL AND GAS ENTERPRISE

**AND**

## BASHNEFT INTERNATIONAL B.V.

**AND**

## SUN APEX HOLDINGS LIMITED

**FOR**

## ONSHORE BLOCK EP-4
## (MAYAMAN AREA)

**Dated:**

# TABLE OF CONTENT

**PRODUCTION SHARING CONTRACT**

**FOR ONSHORE PETROLEUM OPERATIONS**

**ONSHORE BLOCK EP-4 (MAYAMAN AREA)**

**BETWEEN**

**MYANMA OIL AND GAS ENTERPRISE**

**AND**

**BASHNEFT INTERNATIONAL B.V.**

**AND**

**SUN APEX HOLDINGS LIMITED**

This Contract entered into and delivered in Nay Pyi Taw, the Republic of the Union of Myanmar on the ________________ by and between:

**MYANMA OIL AND GAS ENTERPRISE**, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as the "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by THE MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE, of the one part;

and

**BASHNEFT INTERNATIONAL B.V.**, a company incorporated under the laws of the Netherlands (company number 56598491) and having its registered office at Fred. Roeskestraat 123, 1076EE, Amsterdam, the Netherlands (hereinafter referred to as the "BASHNEFT" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR B, BASHNEFT INTERNATIONAL B.V.; and

**SUN APEX HOLDINGS LIMITED**, a company incorporated under the laws British Virgin Islands (company number 1664961), and having its registered office at 2 Leng Keng Road, #A2-03 Thye Hong Centre, Singapore 159086, (hereinafter referred to as the "SUN APEX" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by THE MANAGING DIRECTOR, SUN APEX HOLDINGS LIMITED; of the other part

BASHNEFT and SUN APEX are hereinafter, together with their respective successors, legal representatives and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a CONTRACTOR Party, and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by a CONTRACTOR Party.

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

# WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum" (as hereinafter defined) within the territory of the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations" (as hereinafter defined in accordance with the good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows:

# SECTION 1

## DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Affiliate" means any company, any party or other legal entity:
- a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or
- b) which holds directly or indirectly at least fifty percent (50%) of Contractor's shares entitled to vote, or
- c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, party or legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.3 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.4 "Appraisal Work Program" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery, including the estimated list of equipments, vehicles, machineries, materials, accessories, etc… that would be used for appraisal works under this Contract.

1.5 "Associated Gas" means Natural Gas found in association with Crude Oil if such Crude Oil can by itself be commercially produced.

1.6 "Average Daily Gross Production Rate" means the total barrels of Crude Oil produced in each calendar month divided by the days in the said month.

1.7 "Barrel" means a quantity or unit of forty-two (42) US gallons liquid measure at or corrected to a temperature of sixty degrees (60) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development

and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the required potential expenditure, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means:

a) on the Effective Date the onshore area described in Annexure "A" and shown on the map in Annexure "B" and
b) thereafter, the whole or any part of such onshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time (normally of three hundred and sixty-five (365) consecutive days) commencing with the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which Contractor may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot of Natural Gas" means a quantity or unit of vapor saturated Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60) Fahrenheit and pressure of 14.735 psia (30 inches Hg.)

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for royalty Petroleum delivered to MOGE pursuant to Section 10.1 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.3, (b) the point to be determined in accordance with Section 13.3 for Natural Gas, and (c) the point of export,

Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR in accordance with Section 8.3 at any time prior to the expiration of the Exploration Period by notifying MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnishing a map describing an area comprised of all or a portion of the Discovery Area believed by CONTRACTOR to contain the Commercial Discovery. Once designated, a Development and Production Area shall extend to all depths within its lateral boundaries.

1.21 "Development and Production Operations" means, all operations and related administrative and other activities, within or outside the Contract Area, which are carried out following approval of a Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.5.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Section 8.5 and Section 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced in commercial quantities.

1.25 "Discovery Area" means an area or areas which CONTRACTOR may establish at any time prior to the expiration of the Exploration Period by notifying MOGE in writing that CONTRACTOR has made a Discovery and furnishing MOGE a map showing an outline of the boundaries of an area comprised of a portion of the Contract Area believed by CONTRACTOR to contain the Discovery. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its Subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not Foreign Direct Investment and / or Myanmar Citizens Investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" means operations which are conducted under this Contract during the Exploration Period for or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and

studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Section 3.3, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Extension Period" means the period following the Exploration Period during which CONTRACTOR shall be entitled to continue exploration activities.

1.31 "Field" means an underground accumulation of Petroleum or two (2) or more such accumulations overlying one another in connected or separate horizons or reservoirs, related to one single or several combined geological traps, and which must be considered as a unit for the purpose of its rational exploration.

1.32 "Financial Year" means the Financial Year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.33 "Foreign Exchange" means currency other than that of the Republic of the Union of Myanmar but acceptable to the Republic of the Union of Myanmar.

1.34 "Government" means the Government of the Republic of the Union of Myanmar.

1.35 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the PSC's for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make Foreign Direct Investment and / or Myanmar Citizens Investment.

1.36 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.37 "Net Profit" means the amount of the proceeds of the sale or transfer of the shares in the company formed under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Bonuses under Section 11, and Income Tax under Section 9.11.

1.38 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in or in connection with the conduct of Petroleum Operations pursuant to this Contract, determined and accounted for in accordance with Annexure "C".

1.39 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other

hydrocarbon produced in association therewith.

1.40 "Petroleum Operations" mean all operations under this Contract, including, without limitation, Exploration Operations, Development and Production Operations, all associated planning, design, administrative, engineering, construction and maintenance operations, and any other operations and activities, otherwise contemplated under the provisions of this Contract.

1.41 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.42 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.43 "US Dollar" or "US$" means the lawful currency of the United States of America.

1.44 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.45 "Work Programme" means a program mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Production Area and the time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.46 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

# SECTION 2

## SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of the Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum deposits in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Signature Bonus.

2.7 Signature Bonus paid in accordance with Section 2.6, shall not be recoverable from Cost Petroleum under Section 9.

# SECTION 3

## TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall be effective from the Effective Date and remain in effect during the Preparation Period, the Exploration Period and any Development and Production Period(s).

3.2 The **Preparation Period** shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The **Exploration Period** shall begin on the Commencement of the Operation Date and shall continue for three (3) consecutive years ("Initial Exploration Period"). If CONTRACTOR after fully disclosing the results of the Initial Exploration Period to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE, given not later than thirty (30) days before the end of the Initial Exploration Period. Thereafter CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, CONTRACTOR may extend, at its sole discretion, the Exploration Period for additional three (3) consecutive years, two (2) years as the ("First Extension Period") and another one (1) year as the ("Second Extension Period"), provided that, it shall have fulfilled its obligations hereunder for the then current period.

If CONTRACTOR after fully disclosing the results of the First Extension Period to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE, given not later than thirty (30) days before the end of the First Extension Period. Thereafter CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, CONTRACTOR may extend, at its sole discretion, the Exploration Period for additional one (1) year ("Second Extension Period"), provided that, it shall have fulfilled its obligations hereunder for the then current period.

3.4 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such

operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery, declare a Commercial Discovery, and designate a Development and Production Area.

3.5 A **Development and Production Period** shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum proceed hereunder whichever is longer.

3.6 Without limiting the rights of the Parties under Section 17, in the event that the parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or from gaining access to the Contract Area for reasons relating to the protection of personnel, sub-contractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, specifically, including the obligation to pay any deficiency under Section 5.5 below.

# SECTION 4

## RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period, all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area.

4.3 No relinquishment shall relieve CONTRACTOR from accrued but unfulfilled minimum expenditure commitment under Section 5 of this Contract except as further defined in Section 5.10. In the event CONTRACTOR desires to relinquish its rights hereunder to conduct Petroleum Operations in all of the Contract Area without having fulfilled its accrued minimum expenditure commitment, CONTRACTOR shall pay MOGE on or before the date of such total relinquishment an amount equal to the difference between the amount spent and such minimum expenditure commitment.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Section 4.1 and Section 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

# SECTION 5

## MINIMUM EXPENDITURE COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall promptly commence Petroleum Operations in the Exploration Period after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement of field operations. As soon as possible following the Effective Date of this Contract, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 During the three (3) years Initial Exploration Period, CONTRACTOR shall spend a total of not less than US Dollars Twenty Eight Million and Four Hundred Thirty-Six Thousand (US$ 28,436,000) to conduct G&G study and Seismic Acquisition, Processing, Interpretation (API) during Year 1 of the Initial Exploration Period, to conduct drilling of one (1) well during Year 2 of the Initial Exploration Period, to conduct drilling of one (1) well in the Contract Area during Year 3 of the Initial Exploration Period and shall completely perform, unless otherwise agreed, the type of work as specified in Section 6.7 relating to Initial Exploration Period.

5.3 If CONTRACTOR elects to enter the two (2) years First Extension Period, CONTRACTOR shall spend a total of not less than US Dollars Six Million and Sixteen Thousand (US$ 6,016,000) to conduct prospect evaluation and drilling of one (1) well in the Contract Area and shall completely perform, unless otherwise agreed, the type of work as specified in Section 6.7 relating to the First Extension Period.

5.4 If CONTRACTOR elects to enter the one (1) year Second Extension Period, CONTRACTOR shall spend an additional amount of not less than US Dollars Three Million and Eight Hundred Three Thousand (US$ 3,803,000) to conduct drilling of one (1) appraisal well in the Contract Area, and shall completely perform, unless otherwise agreed, the type of work as specified in Section 6.7 relating to the Second Extension Period.

5.5 Subject to the provisions of Section 5.10 below, if CONTRACTOR fails to fulfill the minimum expenditure commitment described herein for Exploration Operations during the Initial Exploration Period or First Extension Period or Second Extension Period, CONTRACTOR shall fulfill its obligation by paying the amount of deficiency to MOGE in cash at the end of the applicable period.

5.6 **Guarantees**

5.6.1 On the Effective Date specified in Section 1.27, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after Commencement of the Operation Date,

CONTRACTOR shall provide a Performance Bank Guarantee issued by corresponding bank of Myanma Foreign Trade Bank, in respect of the minimum expenditure commitment of CONTRACTOR under Sections 5.2. If CONTRACTOR enters into any extension of the Exploration Period, it shall, subject to Section 5.8, provide similar Guarantees in respect of the minimum expenditure commitment of the relevant periods.

5.6.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Initial Exploration Period under Section 5.2 and in the event of entering into any extension of Exploration Period, similar percentage of Performance Bank Guarantee for the respective extension shall be applicable; provided that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.6.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.7 CONTRACTOR shall pay to MOGE at the end of the Initial Exploration Period, First Extension Period and Second Extension Period, any deficiency, between actual amounts expended and accrued minimum expenditure commitment specified in Sections 5.2 through 5.4, except as may be agreed to by MOGE as set out further in Sections 5.8 through 5.9.

5.8 In the event the CONTRACTOR fails to spend the minimum amount specified in Sections 5.2 during the Initial Exploration Period and/or as specified in Section 5.3 during the First Extension Period, but desires to enter into succeeding extension period(s) and has carried out Petroleum Operation with diligence, MOGE may permit CONTRACTOR to make up any deficiency during the succeeding extension periods(s) of the Exploration Period.

5.9 If CONTRACTOR spends more than its minimum expenditure commitment for the Initial Exploration Period and/or First Extension Period, the excess shall be credited toward CONTRACTOR's minimum expenditure obligation for the succeeding extension period(s) of the Exploration Period.

5.10 Notwithstanding the provisions of Sections 5.5 through 5.9, should CONTRACTOR complete the approved Work Programme in the Initial Exploration Period, First Extension Period or the Second Extension Period for an amount less than the approved Budget for that period, as set forth in Section 6 below, then CONTRACTOR shall not be required to pay MOGE the difference between the actual amount and the agreed amount as set forth in Sections 5.2 through 5.4 above and Section 6.7 below.

# SECTION 6

## WORK PROGRAMMES AND EXPENDITURES

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than ninety (90) days following the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, as specified in Section 1.11, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations, which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 Should MOGE wish to propose a revision as to certain specific features of the said Work Programme and Budget, it shall within thirty (30) days after receipt thereof so notify CONTRACTOR specifying in reasonable details its reasons thereof. Promptly thereafter, the parties will meet and endeavor to agree on the revision proposed by MOGE. In any event, any portion of the Work Programme as to which MOGE has not proposed a revision shall in so far as possible be carried out as prescribed therein.

6.5 It is recognized by the parties that the details of a Work Programme may require changes in the light of existing circumstances and as such the CONTRACTOR with the approval of MOGE may make such changes provided they do not change the general objective of the Work Programme.

6.6 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld.

6.7 The tentative Work Programme and Budget estimated for each Contract Year of the Exploration Period shall be set forth by the CONTRACTOR as follows, subject to provisions of Section 5: -

| Contract Year | Expenditure | Work Programme |
|---|---|---|
| Initial Exploration Period - Year 1 | US$ 18,400,000 | G&G study and Seismic Acquisition, Processing, Interpretation (API) |
| Year 2 | US$ 5,018,000 | To drill one (1) well |
| Year 3 | US$ 5,018,000 | To drill one (1) well |

| | | |
|---|---|---|
| First Extension Period - Year 4 | US$ 1,000,000 | Prospect evaluation |
| Year 5 | US$ 5,016,000 | To drill one (1) well |
| Second Extension Period - Year 6 | US$ 3,803,000 | To drill one (1) appraisal well |
| **TOTAL** | **US$ 38,255,000** | |

6.8 It is recognized that in the event of emergency or extraordinary circumstances requiring immediate action, each of MOGE and CONTRACTOR may take all immediate actions it deems proper or advisable to protect its interests and those of their respective employees and subcontractor(s) and its personnel and any cost so incurred shall be included in Petroleum Costs.

# SECTION 7

## DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any significant Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall submit to MOGE as soon as is practicable after completion of the exploration well in question, a detailed Appraisal Work Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an appraisal is merited, according to generally accepted international petroleum industry practice, MOGE may demand the CONTRACTOR that such appraisal be undertaken forthwith, provided that the CONTRACTOR may give reasons also according to generally accepted international petroleum industry practice, why the said appraisal should be deferred and the period of such deferment.

7.4 The Work Programme submitted by the CONTRACTOR to MOGE under Section 7.2, shall describe the Discovery Area, and the location, nature and estimated size of the Discovery, and a designation of the area to be included in the evaluation. The Appraisal Work Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation of Petroleum from the Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Work Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to these requested changes to endeavor to agree on a revised Appraisal Work Programme and Budget. The Work Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes.

7.6 After adoption of the Appraisal Work Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, pursuant to Section 7.6 the CONTRACTOR shall notify and report to MOGE whether the Discovery Area contains

a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of all pertinent operating and financial data collected during the performance of the Appraisal Work Programme and otherwise, including but not limited to Crude Oil and/or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted international petroleum industry practice, the applicable laws of the Republic of the Union of Myanmar and the provisions of this Contract.

# SECTION 8

## DEVELOPMENT AND PRODUCTION

8.1 If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7 a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practice, shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries;

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations, and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area.

c) Proposals relating to necessary infrastructure investments, and employment policy, employment of Myanmar nationals, and use of Myanmar materials, products and services in accordance with Section 17 herein;

d) A production forecast and an estimate of the investment and expenses involved; and

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to these requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year; for the first full Financial Year and the portion of the year preceding the first full Financial Year a detailed statement of the Development Work Programme and Budget therefor shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget therefor shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Section 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Section 8.5 and Section 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 and Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, roads, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3 the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area or, otherwise, not being then awarded to any person other than MOGE.

# SECTION 9

## COST RECOVERY AND PROFIT ALLOCATION

9.1 CONTRACTOR shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or " Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in this Section.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligation to pay the royalty specified in Section 10.

9.4 CONTRACTOR shall recover all costs and expenses in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of and out of a maximum of fifty percent (50%) of all Available Petroleum from the Contract Area; provided, however, that the costs and expenses of Development and Production Operations in respect of any Development and Production Area shall be recovered only from Available Petroleum produced from such Development and Production Area. Such Petroleum to which CONTRACTOR is entitled for the purpose of recovering its costs and expenses is hereinafter referred to as "Cost Petroleum".

9.5 To the extent that costs or expenses recoverable under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area, the excess shall be carried forward for recovery in the next succeeding accounting period and in each succeeding accounting period thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum Valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum to which CONTRACTOR is entitled hereunder during an accounting period.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purposes of payment of royalty under Section 10 nor taken as Cost Petroleum in an accounting period, as described in Section 9.4 and 9.5, shall be "Profit Petroleum" and allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production, in an accounting period, from the relevant Development and Production Area:

a) Crude Oil

| Production Rate in Barrels per Day | MOGE Share (%) | CONTRACTOR Share (%) |
|---|---|---|
| 0-10,000 | 60 | 40 |
| 10,001-20,000 | 65 | 35 |
| 20,001-50,000 | 70 | 30 |
| 50,001-100,000 | 80 | 20 |
| 100,001-150,000 | 85 | 15 |
| >150,000 | 90 | 10 |

b) Natural Gas

| Production Rate in Million Cubic Feet per Day | MOGE Share (%) | CONTRACTOR Share (%) |
|---|---|---|
| Up to 60 | 60 | 40 |
| 61-120 | 65 | 35 |
| 121-300 | 70 | 30 |
| 301-600 | 80 | 20 |
| 601-900 | 85 | 15 |
| >900 | 90 | 10 |

9.8 (a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each accounting period at the Delivery Point and may separately dispose of Crude Oil to which it is entitled pursuant to Section 9.4 plus its share of the balance of Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/receiver at such Delivery Point.

(b) Natural Gas will be disposed of pursuant to CONTRACTOR's obligations under Section 14 and provision of Section 13.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlement of Crude Oil, such procedure to contain reasonable provisions for underlift and overlift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under

the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

(a) CONTRACTOR shall be subject to the Myanmar Income Tax Law and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

(b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar.

(c) The CONTRACTOR shall pay Myanmar Income Tax on its annual net taxable income in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlement under the provisions of the Foreign Investment Law.

(d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment of CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

(e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

# SECTION 10

# ROYALTY

10.1 CONTRACTOR shall pay to the Government, a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.2 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government. In the absence of such option on the part of the Government, Royalty accruing during an accounting period shall be paid in cash within thirty (30) days after the end of that accounting period. CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an option by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, Petroleum Royalty taken in kind by the Government shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.3 Royalty shall not be recoverable from Cost Petroleum.

# SECTION 11

## BONUSES

11.1 Signature Bonus

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of US Dollars Four Million (US$ 4,000,000) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5 and shall not be recoverable from Cost Petroleum under Section 9.

11.2 Production Bonuses

11.2.1 **Crude Oil:**

CONTRACTOR shall pay the following "Crude Oil Production Bonuses" to MOGE with respect to each Development and Production Area for Crude Oil productions:

(a) US Dollars Five Hundred Thousand (US$ 500,000) within thirty (30) days of approval of the Development Plan.

(b) US Dollars One Million and Five Hundred Thousand (US$ 1,500,000) within thirty (30) days after the first date when total average daily Crude Oil Production from the Development and Production Area over any consecutive ninety (90) days period reached Ten Thousand (10,000) Barrels per day.

(c) US Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil Production from the Development and Production Area over any consecutive ninety (90) days period reached Twenty Thousand (20,000) Barrels per day.

(d) US Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil Production from the Development and Production Area over any consecutive ninety (90) days period reached Fifty Thousand (50,000) Barrels per day.

(e) US Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil Production from the Development and Production Area over any consecutive ninety (90) days period reached One Hundred Thousand (100,000) Barrels per day.

(f) US Dollars Six Million (US$ 6,000,000) within thirty (30) days after the first date when total average daily Crude Oil Production from the Development and Production Area over any consecutive ninety (90) days period reached One Hundred and Fifty Thousand (150,000) Barrels per day.

11.2.2 **Natural Gas:**

CONTRACTOR shall pay the following "Natural Gas Production Bonuses" to MOGE with respect to each Development and Production Area for Natural Gas productions:

(a) US Dollars Five Hundred Thousand (US$ 500,000) within thirty (30) days of approval of the Development Plan.

(b) US Dollars One Million and Five Hundred Thousand (US$ 1,500,000) within thirty (30) days after the first date when total average daily Natural Gas Production from the Development and Production Area over any consecutive ninety (90) days period reached Sixty Million Cubic Feet (60,000,000 $ft^3$) per day.

(c) US Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas Production from the Development and Production Area over any consecutive ninety (90) days period reached One Hundred and Twenty Million Cubic Feet (120,000,000 $ft^3$) per day.

(d) US Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas Production from the Development and Production Area over any consecutive ninety (90) days period reached Three Hundred Million Cubic Feet (300,000,000 $ft^3$) per day.

(e) US Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas Production from the Development and Production Area over any consecutive ninety (90) days period reached Six Hundred Million Cubic Feet (600,000,000 $ft^3$) per day.

(f) US Dollars Six Million (US$ 6,000,000) within thirty (30) days after the first date when total average daily Natural Gas Production from the Development and Production Area over any consecutive ninety (90) days period reached Nine Hundred Million Cubic Feet (900,000,000 $ft^3$) per day.

11.3 Production Bonuses paid in accordance with this Section 11.2 shall not be recoverable from Cost Petroleum; however, they shall be a tax-deductible expense in the calculation of income tax payable.

# SECTION 12

## VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "**Arms Length Sales**" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated by considerations other than the usual commercial incentives.

b) "**Reference Crude**" means crude oil(s) produced in Asia, which is of comparable gravity, and quality to the Crude Oil valued hereunder. The appropriate crude oil comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR prior to commencement of Commercial Production from any Development and Production Area.

c) "**Reference Crude Price**" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period, as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) day payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "**Transportation Cost**" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil Freight Rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10 a US Dollar value per Barrel of Crude Oil shall be determined each accounting period. Such value shall be the Fair Market Value determined in accordance with Section 12.3 or Section 12.4 whichever is applicable.

12.3 If at least thirty percent (30%) of all the Crude Oil sales by CONTRACTOR during the relevant accounting period are Arms Length Sales, Fair Market Value for all Crude Oil shall be the price actually received by CONTRACTOR in such sales, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms.

12.4 If less than thirty percent (30%) of all the Crude Oil sales by CONTRACTOR during the relevant accounting period are Arms Length Sales, the Fair Market Value shall be the volume-weighted average of:

a) The price actually received by CONTRACTOR during the relevant accounting period in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms; and

b) The Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant accounting period in non-Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.5 Within twenty (20) days following the end of each accounting period, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted.

12.6 In the event MOGE shall have timely notified CONTRACTOR, within the above-described twenty (20) days period that it disagrees with CONTRACTOR'S determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the accounting period in question, either party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to an expert in accordance with the provisions of Section 22.

12.7 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or, in the event of a dispute pursuant to Section 12.6, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the accounting period in which the sales used in the determination occurred, and appropriate adjustments shall then be made in the allocations of the parties to reflect the retrospective application of the new Crude Oil value.

12.8 Natural Gas produced and sold during an accounting period shall be valued at the weighted average net price received by MOGE and CONTRACTOR for sales under the Natural Gas sales agreements.

## SECTION 13

## NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in operations hereunder, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including reprocessing and recycling.

13.2 Should MOGE and CONTRACTOR consider and choose to undertake the processing of Natural Gas and utilization thereof, of the Natural Gas not required for Petroleum Operations hereunder, it is hereby agreed that all costs for production and delivery up to a point to be agreed with the gas buyer and the proceeds derived therefrom shall be treated on a basis equivalent to that provide for herein concerning the distribution and allocation of Crude Oil. MOGE and CONTRACTOR may enter into further negotiations as may be necessary to cover the financing of processing, liquefaction, handling and transportation of such Natural Gas.

13.3 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take and utilize such Natural Gas, free of charge, that would otherwise be flared, all costs of taking and handling to be for the sole account and risk of MOGE.

## SECTION 14

## DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR shall after Commercial Production of Crude Oil commences, fulfill its obligation toward the supply of the Domestic Crude Oil market in Myanmar by making a share of its entitlement available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of ninety percent (90%) of the value per Barrel of Crude Oil during the accounting period in question as determined in accordance with Section 12 hereof, payable in US Dollars within thirty (30) days after lifting. For any amount of Crude Oil in excess of that limit, required to satisfy CONTRACTOR's Domestic Market Obligation, the price shall be one hundred percent (100%) of the value per barrel of Crude Oil during the accounting period in question as determined in accordance with Section 12 hereof, payable in US Dollars as set out above.

14.2 CONTRACTOR obligations to supply the domestic market under this Section shall not exceed the extent to which the Government of the Republic of the Union of Myanmar shall make available US Dollars, which may be remitted abroad by CONTRACTOR in payment for such domestic market share.

14.3 The provisions of Section 14.1 and 14.2 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's obligatory share of the domestic market obligation twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.4 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation and on agreement with MOGE.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term

hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

## SECTION 15

## EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of US Dollars Twenty Five Thousand (US$25,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to train MOGE personnel and to send qualified MOGE personnel to selected accredited universities;

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Upon commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to US Dollars Fifty Thousand (US$50,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consultation with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a Contract Year, the deficiency shall be paid to MOGE or carried forward and expended in succeeding Contract Years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year, the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.5, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a "Research & Development Fund" in the sum of

zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this Fund will be determined in consultation with MOGE. Research and Development Fund paid in accordance with this Section 15 shall not be recoverable from Cost Petroleum.

# SECTION 16

## TITLE OF ASSETS

16.1 CONTRACTOR's physical assets, which are acquired for purposes of the Petroleum Operations, shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9, when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates and used in Petroleum Operations, nor to assets owned by CONTRACTOR's contractors, sub-contractor, Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

## SECTION 17

## RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

(a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR in the execution of the Work Programme;

(b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and sub-contractors, during the Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operation;

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property or any levy on or in connection with operations performed hereunder by CONTRACTOR, its Contractors and sub-contractors during the Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR's, its contractors' and sub-contractors' employees engaged in Petroleum Operations under this Contract;

(c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost, facilities, supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies and personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in US Dollars computed at the prevailing market rate through authorized dealer bank at the time the expense was incurred;

(d) have title to all original and interpreted data resulting from the Petroleum operations including but not limited to geological, geophysical, petrophysical, engineering, data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

(e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations use the equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

(f) have the right to ask for immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the reasonable consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

(g) appoint its authorized representative with respect to this Contract.

17.2 CONTRACTOR shall:

(a) furnish all such funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

(b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

(c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and for all Income Tax and other levies if any, for which expatriate personnel of CONTRACTOR, its contractors and sub-contractors are liable under the Income Tax Laws of the Republic of the Union of Myanmar for the portion of their income in Myanmar;

(d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

(e) be responsible for execution of Work Programmes, which shall be implemented in a workmanlike manner and CONTRACTOR shall take the necessary precautions for

protection of navigation and fishing, if necessary, and shall prevent environment pollution as are consistent with international oilfield practices. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar;

(f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.4.

(g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

(h) be entitled to export all property which are imported on Drawback Basis;

(i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights and interests under this Contract to an Affiliate or other parties only with the prior written consent of MOGE. The consent by MOGE on this matter shall not be unreasonably withheld.

Provided that notwithstanding anything contained elsewhere in the Contract, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following trenches out of the Net Profit made on the sale or transfer of the shares in the Company formed under Section 5.1:

| | | |
|---|---|---|
| (i) | If the amount of Net Profit is up to US Dollars 100 Million | 40% |
| (ii) | If the amount of Net Profit is between US Dollars 100 Million and US Dollars 150 Million | 45% |
| (iii) | If the amount of Net Profit is over US Dollars 150 Million | 50% |

(j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

(k) submit to MOGE weekly staff returns, agreed daily drilling reports (where applicable), weekly and monthly progress reports;

(l) submit to MOGE copies of all such original and interpreted geological, geophysical, drilling, well production and any other data and reports as it may compile during the term hereof;

(m) prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

(n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon and/or Nay Pyi Taw, such representative to represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

(o) unavoidably give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals approved by MOGE, provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

(p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals, subject to the approval of MOGE unless otherwise agreed upon by both parties;

(q) procure such goods and services for the execution of the Work Programme through international tender subject to approval by MOGE unless otherwise agreed upon by both parties;

(r) allow duly authorized representatives of MOGE to have access to the Contract Area covered by this Contract and to the Petroleum Operations conducted thereon. Such representatives may examine data, books, registers and records of CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Such representatives shall be given reasonable assistance by the agents and employees of the CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section.

(s) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of the Republic of the Union of Myanmar and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar.

(t) be responsible to conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar and in conformity with international petroleum industry's practices with respect to the environmental protection and mitigation.

(u) CONTRACTOR shall abide by the laws, rules, regulations, directives and notifications with respect to forestry and agriculture sector and shall not cut and/or fell trees unnecessarily and/or not to extract timber from the Contract Area without any prior permission. In the event that, if it is required to cut and/or fell trees for

Petroleum Operation in the Contract Area, CONTRACTOR shall consult with MOGE and with the agreement of MOGE to seek prior permission(s) from respective Ministries and authorities concerned before cutting and/or felling of trees in the Contract Area.

(v) employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices.

(w) prior to the Petroleum Operations commencement date, nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules.

(x) not later than ninety (90) days after the Effective Date, establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area.

(y) be responsible to pay compensation according to the existing law of the Republic of the Union of Myanmar to losses and/or damages for land, crops, trees and/or plantations, relocation of houses, etc.. to owner affected by the Petroleum Operations under this Contract.

(z) collaborate with MOGE to implement the Extractive Industries Transparency Initiative.

(aa) initiate the Corporate Social Responsibility (CSR) in the Contract Area in accordance with the code of conduct of each CONTRACTOR Party .

(bb) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment;

# SECTION 18

## MANAGEMENT COMMITTEE

18.1 MOGE retains, under this Contract, all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the parties shall establish a Management Committee ("The Management Committee") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

# SECTION 19

## STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR a fifteen percent (15%) undivided interest in the total rights and obligations under this Contract and MOGE may extend up to 25% at its own discretion.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than three (3) months after CONTRACTOR'S notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within one (1) month after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a draft operating agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the draft operating agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to MOGE shall be effective for a period of six (6) months. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the assignment of the undivided interest in the total of the rights and obligations arising out of this Contract, the MOGE shall reimburse CONTRACTOR an amount equal to the same percentage of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area up to the date of CONTRACTOR's notification to MOGE mentioned in Section 19.2, the same percentage of the Signature Bonus paid to MOGE referred to in Section 11.1 of this Contract.

19.7 At the option of MOGE the said amount shall be reimbursed:

(a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in Section 19.3, to CONTRACTOR's account with the banking institution to be designated by it, in the currency in which the relevant costs have been financed; or

(b) by way of "Payment out of Production" of fifty percent (50%) of MOGE'S production entitlement under this Contract valued in the manner as described in Section 12 of this Contract, commencing as from the beginning of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of production in the manner indicated in Section 19.7.

# SECTION 20

## FORCE MAJEURE

20.1 The term "Force Majeure" as employed herein shall mean act of god., restraint of a government, strikes, lockouts, industrial disturbances, explosions, fires, floods, earthquakes, storms, lightning and every any other causes similar to the kind herein enumerated, which are beyond the control of either party, and which by the exercise of due care and diligence, either party is unable to overcome.

20.2 If either party is temporarily rendered unable, wholly or in part, by Force Majeure to perform its duties or accept performance by the other party under this Contract, it is agreed that the affected party gives notice to the other party within fourteen (14) days after the occurrence of the cause, relied upon giving full particulars in writing of such Force Majeure. The duties of such party as are effected by such Force Majeure, shall with the approval of the other party, be suspended during the continuance of the inability so caused, but for no longer period, and such cause shall as far as possible be removed with all reasonable dispatch. Neither party shall be responsible for delay, damage or loss caused by Force Majeure.

## SECTION 21

## GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 The parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals therefrom.

21.3 No term or provisions of this Contract, including the agreement of the parties to submit to arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights.

# SECTION 22

## CONSULTATION AND ARBITRATION

22.1 If any dispute arises out of this Contract or any other agreement or document executed in connection with this Contract, the parties hereto shall consult with each other in good faith in order to settle such dispute amicably.

22.2 In the event that such dispute cannot be settled amicably in a reasonable time, it shall be settled in the Republic of the Union of Myanmar by arbitration, through two arbitrators, each one of whom each party shall appoint. Should the arbitrators fail to reach an agreement, then such dispute shall be referred to an umpire nominated by those arbitrators. The decision of the arbitrators or the umpire shall be final and binding upon both parties.

22.3 The arbitration proceedings shall in all respects conform to the Myanmar Arbitration Act, 1944 (Myanmar Act IV, 1944) or any subsisting statutory modification thereof. The venue of arbitration shall be in Yangon, Republic of the Union of Myanmar. The arbitration costs shall be borne by the losing party.

# SECTION 23

# BANKING

23.1 CONTRACTOR shall supply all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the Foreign Exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR in accordance with the foreign exchange rules and regulations of the Republic of the Union of Myanmar existing as of the date hereof, shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations, and to convert into convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 The rate of exchange for transactions referred to in Section 23.3 shall not be less favorable to CONTRACTOR than the market rate through Government-recognized exchange centers applicable for similar transactions undertaken by any private or state enterprise on the date the transaction is initiated. Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and sub-contractors and its expatriate employees in foreign currency abroad, and such contractors, sub-contractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Section 23.2, 23.3, 23.4, and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign-controlled contractors, sub-contractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payments by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S Dollars at a bank in Myanmar or abroad as specified by the recipient.

# SECTION 24

## INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law. The CONTRACTOR shall furnish MOGE with certificates of insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or cancelled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractor and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurance as CONTRACTOR shall deem appropriate, all to be evidenced by certificates of insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the parties hereto or their representatives in any form whatsoever; and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either party shall be suitably endorsed to effectuate this waiver of recovery.

# SECTION 25

## TERMINATION

25.1 In addition to the termination provisions set forth in Section 3, this Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or its extension or extensions prior to CONTRACTOR spending on Petroleum Operations the minimum expenditures required hereunder unless CONTRACTOR pays to MOGE the unexpended portion of the minimum expenditures as specified in Section 5.2 to 5.4 but subject to Section 5.10.

25.2 This Contract shall be terminated in its entirety by MOGE, if it is proved that the CONTRACTOR is intentionally and knowingly involved in political activities detrimental to the Government of the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditures as specified in Section 5.2 to 5.4 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.2 to 5.4 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety as follows:

(a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration or Extension Period;

(b) At the end of the Production Periods relating to all Production Areas within the Contract Area.

# SECTION 26

## BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2 CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C" then the provisions of this Contract shall prevail.

26.2 MOGE and the Government of the Republic of the Union of Myanmar shall, have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

# SECTION 27

## GENERAL PROVISIONS

27.1 Notices

(a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mails, or by prepaid telex, facsimiles or cable transmission, appropriately addressed as follows:

To MOGE

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR

ATTENTION: MANAGING DIRECTOR

ii) By Telex: MYCORP 21307 BM

iii) By Facsimiles: 95-067-411 125

To CONTRACTOR PARTIES:

BASHNEFT INTERNATIONAL B.V.

i) By hand or mail: Prins Bernhardplein 200, 1097 JB,
Amsterdam, the Netherlands.

ATTENTION: Managing Director B

ii) By Telephone: ..................

iii) By Fax: ..................

SUN APEX HOLDING LIMITED

i) By hand or mail: 2 Leng Keng Road, #A2-03 Thye Hong Centre,
Singapore 159086

ATTENTION: Managing Director

ii) By Facsimiles: +1 284 494 5132

(b) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text
This Contract is made and entered into in the English Language.

27.3 Effectiveness
This Contract is legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence
The CONTRACTOR warrants that no gift or reward has been made, nor will be made, to any officials or employees of the Government of the Republic of the Union of Myanmar.

27.5 Secrecy

(a) CONTRACTOR undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertaking and obligations.

(b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions
In the event that any situation or condition arise due to circumstances not envisaged in the Contract and warrants amendments to the Contract the parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to the either MOGE's or CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain the affected Party's normal economic benefit hereunder.

27.8 IN WITNESS WHEREOF, this Contract has been executed by duly authorized signatory of each respective Party named below in Nay Pyi Taw, the Republic of the Union of Myanmar, as of the day, the date and the year first above mentioned.

*Signed, sealed and delivered*

*For and on behalf of*
**MYANMA OIL AND GAS ENTERPRISE**

______________________________

MANAGING DIRECTOR

*Signed, sealed and delivered*

*For and on behalf of*
**BASHNEFT INTERNATIONAL B.V.**

______________________________

*Signed, sealed and delivered*

*For and on behalf of*
**SUN APEX HOLDING LIMITED**

______________________________

IN THE PRESENCE OF:

______________________________

DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

______________________________

______________________________

______________________________

# ANNEXURE "A"

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED.

Dated: ------------------

## Description of Contract Area

**COORDINATES OF ONSHORE BLOCK EP-4 (MAYAMAN)**

| POINTS | LATITUDE(N) | | | LONGITUDE(E) | | |
|---|---|---|---|---|---|---|
| NO. | DEG. | MIN. | SEC. | DEG. | MIN. | SEC. |
| 1 | 18 | 48 | 30 | 95 | 00 | 00 |
| 2 | 18 | 48 | 30 | 95 | 12 | 30 |
| 3 | 18 | 30 | 00 | 95 | 15 | 00 |
| 4 | 18 | 30 | 00 | 95 | 00 | 00 |
| 1 | 18 | 48 | 30 | 95 | 00 | 00 |

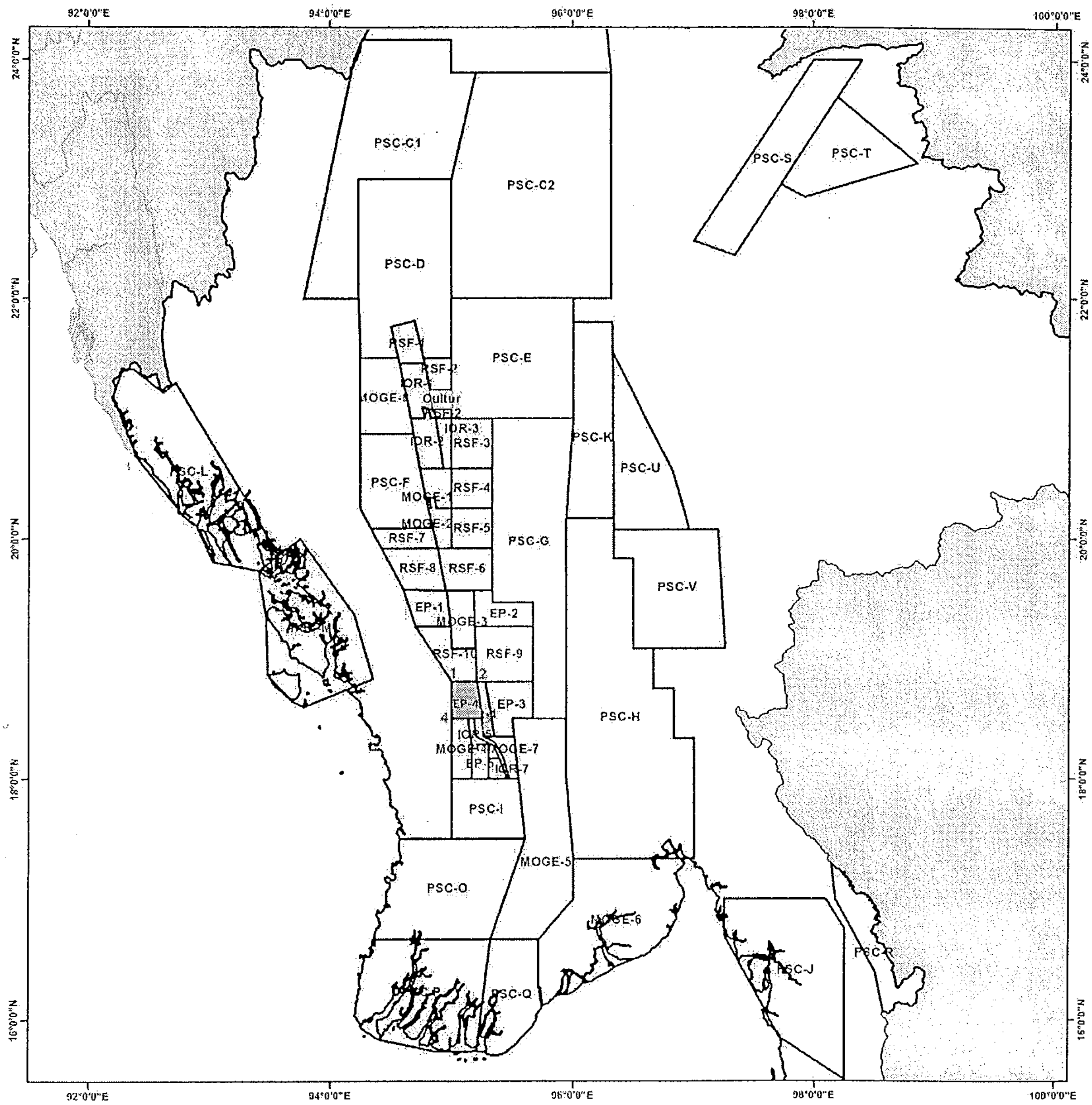
Area of Block EP-4 (MAYAMAN) = 330 Sq. Miles

# ANNEXURE "B"

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED.

Dated: ----------------

## Map of Contract Area



# ANNEXURE "C"

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED.

Dated: -------------------

## ACCOUNTING PROCEDURE

### ARTICLE 1 – GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The parties agree that if any procedure established herein proves unfair or inequitable to any Party, the parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

1.1 DEFINITIONS

1.1.1 The terms used in this Accounting Procedure have the same meaning as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditure" means expenditures incurred for the purchase of tangible physical assets which, by generally accepted international accounting principles of the international petroleum industry, are classified as capital and the cost of which is amortizable. Such assets include, but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixtures in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumables either purchased, or leased, or rented, or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 BOOKS AND RECORDS

Books and records of account will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in the English language and U.S Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 CURRENCY EXCHANGE

Any costs incurred or proceeds received, in a currency other than U.S Dollars including the currency of the Republic of the Union of Myanmar shall be converted into US Dollars computed at the prevailing rate of exchanges set by an authorized bank in Myanmar on the day on which the costs or expenditures were paid or the proceeds were received.

1.4 INDEPENDENT AUDITOR

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the Contract.

**ARTICLE 2-PETROLEUM COSTS**

2.1 PETROLEUM COSTS

The Parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in the following manner:

a) Petroleum costs, including all intangible drilling costs, with the exception of the Capital Expenditures, incurred in respect of the Petroleum Operations under this Contract Area, shall be recoverable either in the Financial Year in which these Petroleum Costs are incurred or the Financial Year in which Commercial Production occurs, whichever is the later;

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable in the Financial Year in which Commercial Production occurs.

c) Capital Expenditures incurred in respect of the Petroleum Operations under this Contract shall be recoverable at a rate of twenty-five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital Expenditure is incurred or the Financial Year in which Commercial Production from the Contract Area commences, whichever is the later; and

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools and equipment, incurred outside of a Development Area, shall be recoverable at a rate of twenty-five percent (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditure is incurred, or the Financial Year in which Commercial Production from any Development Area commences, whichever is the later, and shall be recoverable from any Development Area.

2.2 LABOR AND RELATED COSTS

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children) as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations.

The cost of these personnel shall be as per rates which represent the CONTRACTOR's actual cost.

As early as possible in each Financial Year, the CONTRACTOR shall advise the applicable rates referred to above for each subsequent Financial Year. These rates may be subject to revision from time to time at the CONTRACTOR's initiative if actual costs change.

2.2.3 Personnel of the CONTRACTOR based in CONTRACTOR's home country working for Petroleum Operations on a time sheet basis.

Such personnel shall be charged at rates which represent the CONTRACTOR's actual cost. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR's home country, the hourly rate will be charged from the date such personnel leave the town where they usualy work in CONTRACTOR's home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employee from his employment in CONTRACTOR's home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working outside the Republic of the Union of Myanmar for the CONTRACTOR who are not on a time sheet basis shall be deemed compensated by the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subparts 2.2.2 and 2.2.3

Subparts 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be changed, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 MATERIAL

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufacturers or the vendors, as long as they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual "Net Cost" incurred by the CONTRACTOR as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less all discounts actually received.

2.3.1.2 Material shall be charged at the rate specified herein below:

a) new Material (Condition "A") shall be valued at the current international Net Cost which shall not exceed the price prevailing in normal arm's length transactions on the open market;

b) Used Material (Conditions "B", "C" and "D" and "Junk Material"):

i) Material which is in sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy five percent (75%) of the current price of new Material defined in (a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be further serviceable for its original function shall be classified as Condition "C" and priced at fifty percent (50%) of the current price of new Material as defined in (a) above.

The cost of reconditioning shall be charged to the reconditioned Material provided that the value of Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material, which has a value and which cannot be classified as Condition "B" or Condition "C", shall be classified as Condition "D" and priced at a value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as Junk Material and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days' written notice of intention to take such inventories to allow the MOGE to choose whether

to be represented when the inventory is taken or not to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 TRANSPORTATION AND EMPLOYEE RELOCATION COSTS

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air-freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs to the Contract Area vicinity of employees permanently or temporarily assigned to Petroleum Operations.

Relocation costs from the Contract Area vicinity, except when employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 SERVICES

2.5.1 The actual costs of contract service, professional consultants, and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR or third parties at rates commensurate with the cost of ownership, or rental and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 DAMAGES AND LOSSES TO MATERIAL AND FACILITIES

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR furnish the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) as soon after the loss occurrence or as practicable.

2.7 INSURANCE AND CLAIMS

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice, which is in compliance with international petroleum practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 LEGAL EXPENSES

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 CHARGES AND FEES

All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

2.10 OFFICES, CAMPS AND MISCELLANEOUS FACILITIES

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) Contract Area the costs thereof shall be allocated on an equitable basis.

2.11 GENERAL AND ADMINISTRATIVE EXPENSE

2.11.1 The services for all personnel of the CONTRACTOR as per subpart2.2.4 as well as the contribution of the CONTRACTOR to the Petroleum Operations of an intangible nature shall be made compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum costs incurred during each Financial Year or fraction thereof.
The sliding scale percentage shall be the following:

| | |
|---|---|
| For the first five million US Dollars: | 4% |
| For the next three million US Dollars: | 2% |
| For the next four million US Dollars: | 1% |
| Over twelve million US Dollars: | 0.5% |

2.12 OTHER EXPENDITURES

Any reasonable expenditure not covered or dealt with in the foregoing provisions, which are incurred by the CONTRACTOR and approved by MOGE for the necessary and proper performance of the Petroleum Operations and the carrying out of its obligations under the Contract or related thereto.

2.13 CREDITS UNDER THE CONTRACT

The net proceeds of the following transactions will be credited to the accounts under the Contract:

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract;

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been leased to mitigate losses;

c) any adjustment received by the CONTRACTOR from the suppliers/manufacturers or their agents in connection with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Material charged to the account under the Contract, at the net amount actually collected.

2.14 NO DUPLICATION OF CHARGES AND CREDITS

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

**ARTICLE 3-FINANCIAL REPORTS TO THE MOGE**

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each calendar quarter: -

3.2.1 a report of expenditure and receipts under the Contract analyzed by budget item showing: -

a) actual expenditure and receipts for the quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at year end;

d) variances between budget expenditure and actual expenditure; and

e) explanations therefor.

3.2.2 cost recovery statement containing the following information: -

a) recoverable petroleum costs brought forward from the previous calendar quarter, if any;

b) recoverable petroleum costs incurred during the calendar quarter;

c) total recoverable petroleum costs for the calendar quarter((a)plus (b)above)

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the calendar quarter;

e) amount of Petroleum recovered for the calendar quarter; and

f) amount of recoverable petroleum costs to be carried forward into the next calendar quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development Area the quantity of Petroleum; -

a) held in stocks at the beginning of the month;

b) produced during the month;

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations; and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit within thirty (30) days after the end of each month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

# ANNEXURE "D"

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED as stated and referred to in Section 5.6 of this Contract.

## LETTER OF PARENT COMPANY GUARANTEE

Dated: -----------------

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar, that CONTRACTOR Party (......................................) is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Onshore Block ......... (.................... Area) Production Sharing Contract for the exploration, extraction and development works of the Onshore Block ............(........Area) of the Republic of the Union of Myanmar and we hereby undertake to discharge all its obligations under this Contract on its failure to perform.

This guarantee shall be effective from the Effective Date of this Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting Parties in accordance with Sections 5.3 and 5.4 of this Contract.

***For and on behalf of***

____________________________

# ANNEXURE "E"

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED.

Dated: ------------------

## MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual cooperation and to coordinate their efforts under the Contract, a "Management Committee" (herein called the Committee) shall be established consisting of Four (4) representatives appointed by MOGE, one whom shall act as Chairman of the committee and Three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Committee shall be made by MOGE and by CONTRACTOR, by notice given to other within thirty (30) days after the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the parties hereto.

4. The Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to fifteen (15) days prior notice to its members which notice shall include the agenda for the meeting.

5. The Committee shall have the following functions and responsibilities under this Contract:

   (a) to provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performance and results obtained under the Contract.

   (b) to review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revisions by both parties.

(c) to coordinate on all technical, financial, administrative and policy matters of interest to both parties.

(d) in case of discovery of Petroleum to review and approve proposal for the appraisal and development of such discovery.

(e) to consider and act upon recommendations made to the Committee by its sub-committees.

(f) to cooperate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

(a) Technical sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the parties on the progress of the current Work Programme, pertaining to exploration, development and production and to perform any other task that the parties may ascribe by common agreement.

(b) Procurement sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

(c) Accounting sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

(d) Petroleum Valuation sub-Committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purposes of Cost Recovery and division of net sales proceeds. The valuation shall be based upon enquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour-point, etc. The valuation of Natural Gas will be determined at delivery point to Gas buyer.

# ANNEXURE "F"

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED.

Dated: -------------------

## MEMORANDUM ON PARTICIPATION

The operating agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the Sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both parties. However if either of the parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other party.

3. Both parties shall have the obligation to provide or cause to be provided their respective proportions of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effects of a party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation a "Sole Risk" provision shall be made which assure MOGE that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates CONTRACTOR for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure, either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas supply Contracts.

# ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and BASHNEFT INTERNATIONAL B.V. and SUN APEX HOLDINGS LIMITED as stated and referred to in Section 5.6 of this Contract.

## PERFORMANCE BANK GUARANTEE

Dated:

**[ SEAL ]**

Letter of Guarantee No.
………………..

Dear Sirs,

By order of …………………… Bank, and for account of ………………… we hereby issue a guarantee under their counter guarantee No…………dated ………. for Euro / U.S. ………. (Euro/U.S. …………………….. only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH ……….. (HEREINAFTER CALLED THE CONTRACTOR) ON ………… FOR THE PETROLEUM OPERATIONS OF…… IN 3/BLOCK NO. ……………. DATED ……………… (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, ……………THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLE AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ………………../- (…………………………………. ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/ PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ ……………. /- (EURO/$ ……………………………….only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED FOR MYANMA FOREIGN TRADE BANK

MANAGER
FINANCING & GUARANTEE DEPT

ASSITANT MANAGER
GUARANTEE DEPT

ROM : FAX NO. :

လျှို့ဝှက်

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

**သမ္မတဦးစီးရုံး**

စာအမှတ်၊ ၂၆ ( ၆၉ ) / ၁/ သမ္မတရုံး
ရက်စွဲ၊ ၂၀၁၃ ခုနှစ်၊ အောက်တိုဘာလ ၂၄ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **လစ်လပ်လျက်ရှိသော ကုန်းပိုင်းလုပ်ကွက်များအတွက် ဒုတိယအကြိမ် Myanmar Onshore Blocks Bidding Round ဆောင်ရွက်ပြီးစီးမှု အခြေအနေတင်ပြခြင်းကိစ္စ**

ရည် ညွှန်း ချက်။ လိပ်မူပါဝန်ကြီးဌာန၏ ၁၈-၁၀-၂၀၁၃ ရက်စွဲပါစာအမှတ်၊ ၀၁၂/၃၂၁/ထ(၈၇၆/ ၂၀၁၃)

မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ လစ်လပ်လျက်ရှိသော ကုန်းပိုင်းလုပ်ကွက် (၁၈) ကွက်ကို ဒုတိယအကြိမ် Myanmar Onshore Blocks Bidding Round ခေါ်ယူဆောင်ရွက်ပြီးစီးမှုအခြေအနေ၊ ဆက်လက်ဆောင်ရွက်မည့်လုပ်ငန်းစဉ်များနှင့်စပ်လျဉ်း၍ ရည်ညွှန်းပါစာဖြင့် တင်ပြမှုအပေါ် နိုင်ငံတော်သမ္မတက ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ရဲမင်း
ဒုတိယညွှန်ကြားရေးမှူးချုပ်

မိတ္တူ။

နိုင်ငံတော်သမ္မတရုံး
ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
ရုံးလက်ခံ

လျှို့ဝှက်

၆၈၈

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
# ပြည်ထောင်စုရှေ့နေချုပ်ရုံး
# နေပြည်တော်

စာအမှတ်၊ ၂ (၅) ၈ - ၆၆ /နပတ(၂၇၀)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ မတ်လ၂၄ ရက်

အကြောင်းအရာ။ ကုန်းတွင်းလုပ်ကွက် EP-4(မရမန်ဒေသ)တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract ( မူကြမ်း ) အပေါ် သဘောထားမှတ်ချက်ပေးရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏၁၁-၃-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၀၂/ထ (၃၉၈ /၂၀၁၄ )

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏ကုန်းတွင်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ) တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန် တင်ဒါအောင်မြင်သော ကုမ္ပဏီများအနက်မှ Bashneft International B.V နှင့် Sun Apex Holdings Limited နှင့် မြန်မာ့ ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းတို့အကြားချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) အပေါ် သဘောထားမှတ်ချက်ပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့်မေတ္တာရပ်ခံလာသောကိစ္စဖြစ်ပါသည်။

၂။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)သည် ဤရုံး၏ ၁၅-၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၂(၅)၈-၁၃ /နပတ( ၄၇ ) ဖြင့် အကြံပြုပြန်ကြားခဲ့သော ကုန်းတွင်းလုပ်ကွက် RSF-5 တွင် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားသည့်စနစ်ဖြင့် ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊

လျှို့ဝှက်

တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများကို မြန်မာရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် Eni Myanmar B.V နှင့် Myanmar Petroleum Exploration & Production Company Ltd., တို့အကြား ချုပ်ဆိုမည့် စာချုပ်(မူကြမ်း)ပုံစံနှင့် အလားတူပြုစုထားသည်ကို တွေ့ရှိရပါသည်။

၃။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)ကို ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) စာချုပ်(မူကြမ်း) ပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များ မှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်ဝင်များအပိုဒ်အောက်တွင်ဖော်ပြထားသောစာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်းတာဝန်ရှိကြောင်း အပိုဒ် ကို Section 17.2 ပါ Contractor ၏ Obligation တွင် စည်းကမ်းချက် တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း) Section 2.6 နှင့် Section 11.1 တို့တွင် လုပ်ငန်းစတင် ဆောင်ရွက်သည့်နေ့(Commencement of the Operation Date) မှ ရက်(၃၀)အတွင်း Contractor က လက်မှတ်ရေးထိုးဆုကြေးငွေ(Signature Bonus) ပေးရန်ဖော်ပြထားပါသည်။ လုပ်ငန်းစတင်ခြင်းမရှိမချင်း လက်မှတ်ရေးထိုးဆုကြေးငွေမရနိုင်သည့် သဘောဖြစ်နေသည်ကို ဌာနမှသတိပြုသင့် ပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း) Section 8 Development and Production ၊ အပိုဒ်ခွဲ 8.3(b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of

the Contract Area) ပါ ပါဝင်ကြောင်းဖော်ပြထားသည်ကို တွေ့ရှိရပါသည်။ Development Plan သည် Annexure A နှင့် B တွင် ဖော်ပြထားသော Contract Area အတွင်း၌သာ ဆောင်ရွက်ရမည်ဖြစ်ပါသောကြောင့် "outside of the Contract Area" ဟူသော စာသားကိုပယ်ဖျက်သင့်သည်ဟုယူဆ၍ ဌာနမှ ပြန်လည်စိစစ်သင့်ပါသည်၊

(င) စာချုပ်(မူကြမ်း) Section 22 Consultation and Arbitration အပိုဒ်ခွဲ 22.2 ၌ "In the event that such dispute cannot be settled amicably in a reasonable time," ဟူ၍ ဖော်ပြထားပါသည်။ နောင်အငြင်းပွားမှုမဖြစ်စေရန်အတွက် "reasonable time" စာသားအစား အချိန်ကာလသတ်မှတ် ဖော်ပြသင့်ပါသည်၊

(စ) စာချုပ်(မူကြမ်း) Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘော ထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဆ) စာချုပ်(မူကြမ်း) Section 27 General Provisions အပိုဒ်ခွဲ 27.1 (a) Notices ၌ Bashneft International B.V ၏ ဆက်သွယ်ရမည့် လိပ်စာကိုကွက်လပ်များဖြင့်ဖော်ပြထား၍ စာချုပ်ချုပ်ဆိုချိန်၌ ပြည့်စုံစွာ ဖော်ပြထားပြီး ဖြစ်ရန်လိုအပ်ပါသည်၊

(ဇ) စာချုပ်(မူကြမ်း) Annexure G တွင် အဆိုပါ Annexure G သည် စာချုပ်၏ Section 5.6 ကို ရည်ညွှန်း ထားကြောင်းဖော်ပြထားသော်

လည်း Section 5.6 ၌ “Annexure G” အား ရည်ညွှန်းဖော်ပြထားခြင်း မရှိ၍ ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဈ) လိုအပ်သောနေရာအချို့တွင် မင်နီဖြင့် ဖြည့်စွက်ပေးလိုက်ပါသည်။

၄။ ဤစာချုပ်(မူကြမ်း)ကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်းအရ သာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာရေးရာ၊ ကျွမ်းကျင်မှု ဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန် မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြုပါသည်။

၅။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓါတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင်စီးပွားရေး လုပ်ငန်းအဖြစ် ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါဥပဒေ ပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၆။ Bashneft International B.V နှင့် Sun Apex Holdings Limited တို့သည် ဥပဒေနှင့်အညီတရားဝင်ဖွဲ့စည်းထားသောကုမ္ပဏီများဟုတ် မဟုတ်၊ စာချုပ်ပါ လုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်တွင် လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်း များတောင်းယူစိစစ်သင့်ပါသည်။

၇။ ဤ စာချုပ်(မူကြမ်း)ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်ပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၂၆/၃/၂၀၁၄

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

( မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

**စွမ်းအင်ဝန်ကြီးဌာန**



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လျှို့ဝှက်

၆၉၃

နောက်ဆက်တွဲ(ဆ)

# ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
# ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ-၆ /၁၄၀( ၂၁၄ / ၂၀၁၄)
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ မတ် လ ၂၄ ရက်

သို့

ဦးဇေယျာအောင်
ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ ။ **ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ) တွင် ချုပ်ဆိုမည့် စာချုပ် (မူကြမ်း) နှင့်စပ်လျဥ်း၍သဘောထားမှတ်ချက်တောင်းခံခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၁၇-၃-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၀၂/ထ(၂၃၃/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ)တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Netherlands နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Bashneft International B.V နှင့် British Virgin Islands နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Sun Apex Holdings Limited တို့အကြား ချုပ်ဆို မည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)အပေါ် သဘောထား မှတ်ချက်ပေးရန် ရည်ညွှန်းချက် ပါစာဖြင့် တောင်းခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section-26 ပါ Books and Accounts and Audits နှင့် ANNEXURE "C" ပါ "Accounting Procedure" များနှင့်ပတ်သက်၍ ဤရုံးမှ သဘောထားမှတ်ချက်ဖော်ပြရန် မရှိပါ ကြောင်း ပြန်ကြားအပ်ပါသည်။

သိန်းထိုက်
ပြည်ထောင်စုစာရင်းစစ်ချုပ်

မိတ္တူ
ရုံးလက်ခံ
မျှော

လျှို့ဝှက်

နောက်ဆက်တွဲ(ဇ)

၆၉၄

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ

ဘဏ္ဍာရေးဝန်ကြီးဌာန

ဝန်ကြီးရုံး

စာအမှတ်၊ ဘခ-၁/ ၂၇၄(၁၆၀၈ / ၂၀၁၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ မတ်လ ၂၆ ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ**

ရည်ညွှန်းချက်။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၁-၃-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၀၂/ထ (၁၉၉/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း(MOGE)သည် Bashneft International B.V နှင့် Sun Apex Holdings Limited တို့နှင့် ပူးပေါင်း၍ ကုန်းပိုင်းလုပ်ကွက် EP-4 (မရမန်ဒေသ)တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန်အတွက် လက်မှတ်ရေးထိုးမည့် Production Sharing Contract For Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)အပေါ် ဤဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်မှာ အောက်ပါအတိုင်းဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများရင်းနှီးမြှုပ်နှံမှုဥပဒေများနှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်းအပိုဒ်(၂၃.၇)အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ အမေရိကန်ဒေါ်လာဖြင့် ပေးချေပါက ငွေပေးချေမှု အဆင်ပြေစေရန် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏ မည်သည့် USD A/C သို့ ပေးချေရမည်ကို ငွေလက်ခံမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဂ) Performance Bank Guarantee ပုံစံ Annexure "G" တွင် စာချုပ်တန်ဖိုးအပြည့်ကို ကန်ထရိုက်တာမှ ရရှိမှသာ Performance Bank Guarantee သည် အသက်ဝင်ကြောင်းဖော်ပြထားရာ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းသည် ကန်ထရိုက် စာချုပ်တန်ဖိုးအပြည့် ပေးချေပြီးမှသာ လျော်ကြေးတောင်းခံနိုင်မည်ဖြစ်ပါသဖြင့် အဆိုပါအပိုဒ်ကို ပယ်ဖျက်၍ Performance Bank Guarantee ထုတ်ပေးသည့် နေ့တွင် အသက်ဝင်ကြောင်း ပြင်ဆင်ဖော်ပြသင့်ပါသည်။

(ဃ) အဆိုပါ စီမံကိန်းနှင့်ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့်ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးခန့်မှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပါသည်။

(င) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါ လျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ ခွင့်ပြုချက်ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည်ဖြစ်ပါသည်။

(စ) Contractor များမှ Personal Use အဖြစ် တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ပတ်သက်၍ အကောက်ခွန်ဦးစီးဌာန၏ ၁၀-၈-၂၀၁၂ ရက်စွဲပါ၊ အမိန့်ကြော်ငြာစာဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည်ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့်ရရှိမည်ဖြစ်ပါသည်။

(ဆ) မြန်မာနိုင်ငံအတွင်း ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် Contractor မှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည်ဖြစ်ပါသည်။

(ဇ) လုပ်ငန်းအတွက်လိုအပ်၍ Drawbacks စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်အကောက်ခွန်အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့်(၂/၂၀၁၃)တို့အား လိုက်နာကျင့်သုံးဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါသည်။

(ဈ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းနှင့် အမိန့်ကြော်ငြာစာများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်ရန် ဖြစ်ပါသည်။

၂။ လိုအပ်သလိုဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
( ဒေါက်တာမောင်မောင်သိမ်း ၊ ဒုတိယဝန်ကြီး)

လှိုင်ဝင့်ကက်
မြမြ

မိတ္တူကို-

မြန်မာ့နိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ရသုံးမှန်းခြေငွေစာရင်းဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

လှိုင်ဝင့်ကက်

လျှို့ဝှက်

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်း နှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

စာအမှတ်၊ အမစ- ၁/ ၃/ ၉ (၁၈၁၃ / ၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဧပြီလ ၁၀ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် Bashneft International B.V နှင့် Sun Apex Holdings Ltd., တို့အကြား လက်မှတ်ရေးထိုး ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) အပေါ် သဘောထားမှတ်ချက်ပေးရန် ကိစ္စ**

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၁-၃-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၀၂/ထ (၂၀၀/၂၀၁၄)

၁။ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်း နှင့် Bashneft International B.V နှင့် Sun Apex Holdings Ltd., တို့အကြား လက်မှတ်ရေးထိုးချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) အပေါ် အောက်ပါ သဘောထား မှတ်ချက် ပေးပို့အပ်ပါသည်-

(က) စာချုပ် (မူကြမ်း)တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း နှင့် Bashneft International B.V. နှင့် Sun Apex Holdings Ltd., တို့အကြား ကုန်းပိုင်းလုပ်ကွက် EP - 4 (Mayaman Area) တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းဆောင်ရွက်ရန်အတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုမည် ဖြစ်ကြောင်း ဖော်ပြပါရှိသည်။

(ခ) စာချုပ် (မူကြမ်း)တွင် အဓိပ္ပာယ်ဖွင့်ဆိုချက်၊ အကျယ်အဝန်း၊ စာချုပ်သက်တမ်း၊ စွန့်လွှတ်ခြင်း၊ အနည်းဆုံးအသုံးစရိတ်ကတိကဝတ်၊ လုပ်ငန်းအစီအစဉ်နှင့်အသုံးစရိတ်၊ ရှာဖွေခြင်းနှင့် အကဲဖြတ်ခြင်း၊ ဖွံ့ဖြိုးတိုးတက်မှုနှင့် ထုတ်လုပ်ခြင်း၊ ကုန်ကျစရိတ် ပြန်လည်ရယူခြင်းနှင့် အမြတ်ခွဲဝေယူခြင်း၊ မူပိုင်ခ၊ အပိုဆုကြေး၊ ရေနံတန်ဖိုးဖြတ်ခြင်း၊ သဘာဝဓါတ်ငွေ့၊ ပြည်တွင်းရေနံစိမ်း နှင့် သဘာဝဓါတ်ငွေ့လိုအပ်ချက်၊ အလုပ်သမား ခန့်ထားခြင်းနှင့်သင်တန်းပို့ချခြင်း၊ ပစ္စည်းများ၏ပိုင်ဆိုင်ခွင့်၊ MOGEနှင့်ကန်ထရိုက်တာ၏ အခွင့်အရေးနှင့်တာဝန်များ၊ စီမံခန့်ခွဲမှု ကော်မတီဖွဲ့စည်းခြင်း၊ နိုင်ငံတော်မှပါဝင် ဆောင်ရွက်ခြင်း၊ မလွန်ဆန်နိုင်သောဖြစ်ရပ်များ၊ လွှမ်းမိုးသည့်ဥပဒေ၊ စီရင်ပိုင်ခွင့် နှင့် မလွှဲပြောင်းနိုင်သော အခွင့်အရေး၊ ညှိနှိုင်းတိုင်ပင်ခြင်းနှင့် ခုံသမာဓိနည်းဖြင့် ဖြေရှင်းခြင်း၊ ဘဏ်လုပ်ငန်း၊ အာမခံ၊ စာချုပ်ရပ်စဲခြင်း၊ ငွေစာရင်းနှင့် ဘဏ် စာရင်းနှင့် စာရင်းစစ်ခြင်း၊ အထွေထွေပြဋ္ဌာန်းချက်များ အဓိကပါဝင်သည်ကို တွေ့ရှိ ရပါသည်။ ကုမ္ပဏီ ဖွဲ့စည်းတည်ထောင်ဆောင်ရွက်ခြင်း ကိစ္စနှင့်စပ်လျဉ်း၍ နိုင်ငံတော်၏

သက်ဆိုင်ရာ တည်ဆဲဥပဒေ စည်းမျဉ်းစည်းကမ်းများကို လိုက်နာဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ကြောင်း ဖော်ပြအပ်ပါသည်။

(ဂ) စာချုပ်(မူကြမ်း) ပုဒ်မ (၃)တွင် သက်တမ်းကာလကို ဖော်ပြရာ၌ ပြင်ဆင်ချိန်ကာလ (၆)လ၊ ရှာဖွေရေးကာလ (၃)နှစ်၊ ထုတ်လုပ်မှုစတင်သည့်အချိန်မှ အနှစ်(၂၀) ဖြစ်ကြောင်း ဖော်ပြထားပါသည်။

(ဃ) စာချုပ်(မူကြမ်း) ပုဒ်မ (၅) အပိုဒ်ခွဲ (၅-၆)တွင် ကန်ထရိုက်တာကုမ္ပဏီမှ မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းသို့ လုပ်ငန်းဆောင်ရွက်မှု ဘဏ်အာမခံကြေး (PBG) ပေးသွင်းခြင်း၊ ပုဒ်မ (၁၇)တွင် ကန်ထရိုက်တာကုမ္ပဏီက ရေနံစတင်ရောင်းချချိန်မှ စ၍ပေးဆောင်ရန်ရှိသော အခွန်အခများကို ပေးဆောင်မည်ဖြစ်ကြောင်း ဖော်ပြထားသဖြင့် သင့်မြတ်မှုရှိပါသည်။

(င) စာချုပ်(မူကြမ်း) ပုဒ်မ (၉)တွင် ထုတ်လုပ်ရရှိသည့် ရေနံများအပေါ် စာချုပ်ဝင်ပုဂ္ဂိုလ်များဖြစ်ကြသည့် MOGE နှင့် ကန်ထရိုက်တာကုမ္ပဏီများအကြား သတ်မှတ်ထားသည့် ရေနံပမာဏအလိုက် အချိုးကျအကျိုးအမြတ် ခွဲဝေမည်ဖြစ်ကြောင်း ဖော်ပြထားသည့်အတွက် သင့်မြတ်မှုရှိပါသည်။

(စ) စာချုပ် (မူကြမ်း) အပိုဒ်(၂၂)တွင် စာချုပ်ဝင်ပုဂ္ဂိုလ်များအကြား အငြင်းပွားမှု ပေါ်ပေါက်လာလျှင် ၁၉၄၄ ခုနှစ်၊ မြန်မာနိုင်ငံ အနုညာတစီရင်ဆုံးဖြတ်ခြင်း အက်ဥပဒေအရ လိုက်နာဆောင်ရွက်မည်ဖြစ်ကြောင်း ဖော်ပြထားသဖြင့် သင့်မြတ်မှုရှိပါသည်။

(ဆ) စာချုပ် (မူကြမ်း)ပါ သတ်မှတ်ချက်များသည် ၂၀၁၂ ခုနှစ်အတွင်း မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားကုမ္ပဏီများအကြား ကုန်းပိုင်းလုပ်ကွက်များအတွက်လက်မှတ်ရေးထိုးခဲ့သည့် Production Sharing Contract များပါ သတ်မှတ်ချက်များကို အခြေခံရေးဆွဲထားသည်ကို တွေ့ရှိရပါသည်။

(ဇ) စာချုပ်(မူကြမ်း)ပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော် ဆောင်ရွက်ရာတွင် တည်ဆဲ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဥပဒေ (၂၀၁၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဈ) စာချုပ် (မူကြမ်း)တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းသည် ၁၉၈၉ခုနှစ်၊ နိုင်ငံတော်ပိုင်စီးပွားရေးလုပ်ငန်းများဥပဒေ ပုဒ်မ (၃)၊ ပုဒ်မခွဲ (ဂ)တွင် အကျုံးဝင်သက်ဆိုင်သဖြင့် ယင်းဥပဒေ ပုဒ်မ(၄) အရ ပြည်ထောင်စုအစိုးရအဖွဲ့က အမိန့်ကြော်ငြာစာ ထုတ်ပြန်၍ ခွင့်ပြုရန်လိုအပ်သည်ကို အကြံပြုအပ်ပါသည်။

(ည) စာချုပ် (မူကြမ်း)အား နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေအရ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်(MIC)၏ ခွင့်ပြုချက်ရရှိပြီးမှသာ စာချုပ်ဝင်ပုဂ္ဂိုလ်များအကြား လက်မှတ်ရေးထိုးချုပ်ဆိုသင့်ပါကြောင်း အကြံပြုအပ်ပါသည်။

(ဋ) စာချုပ် (မူကြမ်း)ပါ ကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာ ဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ (၂၀၁၄ခုနှစ်၊ ပြည်ထောင်စုလွှတ်တော်ဥပဒေ အမှတ် ၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဌ) စာချုပ် (မူကြမ်း) အရ မိမိဘက်မှ ဆောင်ရွက်ပေးရမည့် ကိစ္စရပ်များ နှင့် လုပ်ငန်း ကျွမ်းကျင်မှုဆိုင်ရာ ကိစ္စရပ်များ နှင့်စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရှိရန် လိုအပ်မည်ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာ လုပ်ငန်း အကောင်အထည်ဖော်မည့် ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ စာချုပ် လက်မှတ်ရေးထိုးပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

(လဲ့လဲ့သိန်း)
ဒုတိယဝန်ကြီး

မိတ္တူကို
မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း
ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

၃၀၀

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် ၂၈/၃/၂၀၁၄

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

၅၂(က)

နောက်ဆက်တွဲ(ည)

စာအမှတ်၊မဗဘ/ဘဏ်စိစစ်/၄(၁၃၆/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ မတ်လ ၂၄ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **သဘောထားမှတ်ချက် ပြန်ကြားခြင်း**

ရည် ညွှန်း ချက်။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၁-၃-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၆၀၂/ထ (၂၀၁/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း(MOGE) ၏ ကုန်းပိုင်း လုပ်ကွက် EP-4 (မရမန်ဒေသ) တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် MOGE နှင့် Bashneft International B.V. နှင့် Sun Apex Holdings Limited (CONTRACTOR) တို့ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum (မူကြမ်း) အပေါ် မြန်မာနိုင်ငံတော် ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်အား အောက်ပါအတိုင်း ပြန်ကြားအပ်ပါသည်-

(က) စာချုပ်မူကြမ်း Section 17.1 (c) တွင် CONTRACTOR ၏ တောင်းဆိုမှုကြောင့် MOGE က ကျခံထားသည့် Petroleum Cost အပါအဝင် စရိတ်များကို CONTRACTOR က MOGE သို့ ပြန်လည်ထုတ်ပေးရမည်ဖြစ်ကြောင်း၊ ပြန်လည် ထုတ်ပေးမှုများကို အမေရိကန်ဒေါ်လာဖြင့် တွက်ချက်မည်ဖြစ်ပြီး တွက်ချက်ရာတွင် အသုံးစရိတ်ကျခံသည့်အချိန်ရှိ ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံ၊ မြန်မာ့နိုင်ငံခြား ကုန်သွယ်မှုဘဏ်က သတ်မှတ်သည့် ငွေလဲလှယ်နှုန်းကို အသုံးပြုမည်ဖြစ်ကြောင်း ဖော်ပြထားခြင်းကို "----at the prevailing market rate through authorized dealer bank at the time the expense was incurred" ဟု ပြင်ဆင်ဖော်ပြရန် ဖြစ်ပါသည်၊

(ခ) စာချုပ်၏ Annexure-G Performance Bank Guarantee ပုံစံတွင် အာမခံကို တတိယနိုင်ငံဖြစ်သော စင်ကာပူနိုင်ငံ၏ ဥပဒေဖြင့် ဆောင်ရွက်မည်ဖြစ်ကြောင်း ဖော်ပြထားခြင်းအား ဌာနအနေဖြင့် ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၏ သဘောထားမှတ်ချက် ရယူဆောင်ရွက်သင့်ပါသည်။

24-3-2014

(ဆက်အောင်)
ဒုတိယဉက္ကဋ္ဌ

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုအစိုးရအဖွဲ့စီးပွားရေးရာကော်မတီ

စာအမှတ်၊ ၁၂(၁)/ ၁၆ /သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ မေလ ၂၀ ရက်

သို့

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီ ( ၁၆ / ၂၀၁၄ ) ၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး ( ၁၆ / ၂၀၁၄ ) ကို ၁၉ - ၅ - ၂၀၁၄ ရက်နေ့ ( တနင်္လာနေ့ ) တွင် သမ္မတရုံးဝန်ကြီးဌာန ( ၃ ) ၊ ရုံးအမှတ်( ၁၄ ) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

အတွင်းရေးမှူး

ပြည်ထောင်စုအစိုးရအဖွဲ့စီးပွားရေးရာကော်မတီ

မိတ္တူကို

နိုင်ငံတော်သမ္မတရုံး

စီးပွားရေးရာကော်မတီအဖွဲ့ဝင် ( အားလုံး )

ပြည်ထဲရေးဝန်ကြီးဌာန

ပြန်ကြားရေးဝန်ကြီးဌာန

ကချင်ပြည်နယ်အစိုးရအဖွဲ့

စစ်ကိုင်းတိုင်းဒေသကြီးအစိုးရအဖွဲ့

ပဲခူးတိုင်းဒေသကြီးအစိုးရအဖွဲ့

လျှို့ဝှက်

လျှို့ဝှက်

၇၀၃

မန္တလေးတိုင်းဒေသကြီးအစိုးရအဖွဲ့

ရန်ကုန်တိုင်းဒေသကြီးအစိုးရအဖွဲ့

လယ်ယာ၊ သားငါး၊ သစ်တောကဏ္ဍဆပ်ကော်မတီ

| စဉ် | တင်ပြသည့်ဝန်ကြီးဌာန | အကြောင်းအရာ | ဆုံးဖြတ်ချက် |
| --- | --- | --- | --- |
| ၁၁ | ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာဝန်ကြီးဌာန | မြန်မာနိုင်ငံရှိ သဘာဝသယံဇာတအရင်းအမြစ်များ ထိန်းသိမ်းကာကွယ်ခြင်းနှင့် စီမံအုပ်ချုပ်ခြင်းဆိုင်ရာ ပူးပေါင်း ဆောင်ရွက်ရန်ကိစ္စ တင်ပြခြင်း။ | နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပြီးကပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။ |
| ၁၂ | ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးနှင့် သစ်တောရေးရာဝန်ကြီးဌာန | မြန်မာနိုင်ငံရှိ ဇီဝမျိုးစုံမျိုးကွဲ ထိန်းသိမ်းရေးလုပ်ငန်းများ ပူးပေါင်းဆောင်ရွက်ရန်ကိစ္စ တင်ပြခြင်း။ | နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပြီးကပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။ |
| ၁၃ | စွမ်းအင်ဝန်ကြီးဌာန | စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြား ရေနံကုမ္ပဏီ ၅ ခု တို့အား ကုန်းပိုင်းလုပ်ကွက်များ ဖြစ်သည့် B-2 ( ဇီးဖြူတောင်-နန်တောဒေသ ) ၊ EP- 1( ကျောက်ကြီး - မင်းတုန်း ဒေသ )၊ EP-3 ( သဲကုန်း - ရွှေကူဒေသ ) ၊ C-1 ( အင်းတော်-ရနန်းဒေသ)၊ PSC- H ( တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 ( မြင်သာဒေသ ) ၊ Ep-4( မရမန်ဒေသ ) တို့၌ ထုတ်လုပ်မှု အပေါ်ခွဲဝေခံစားရေးစာချုပ် ( Production Sharing Contract- PSC ) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန်ကိစ္စ တင်ပြခြင်း။ | - တင်ဒါစည်းကမ်းချက်များနှင့်အညီ ဝန်ကြီးဌာနမှ ဆောင်ရွက်ရန်။<br>- နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပြီးကပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။ |
| ၁၄ | စက်မှုဝန်ကြီးဌာန | သဘာဝဓာတ်ငွေ့သုံးစက်ရုံများအတွက် ပေးချေနေရသည့် သဘာဝဓာတ်ငွေ့ဈေးနှုန်းအား ဖြေလျှော့သတ်မှတ်ပေးနိုင်ပါရန် တင်ပြခြင်း။ | နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ |

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ ( ၁ ) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ မေလ ၂၄ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **စာချုပ်ချုပ်ဆိုခွင့်ပြုပါရန် တင်ပြလာခြင်းကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၁၅-၅-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၈/၈၈၂/ထ(၄၁၈/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားကုမ္ပဏီ(၅)ခုတို့သည် ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2 (ဇီးဖြူတောင်-နန်တောဒေသ)၊ EP-1 (ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ C-1 (အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE-4 (မြင်သာဒေသ)၊ EP-4 (မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားသည့်စနစ် (Production Sharing Contract – PSC) ဖြင့် စာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

- သမ္မတဦးစီးရုံး
- ဒုတိယသမ္မတဦးစီးရုံးများ
- ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
- သမ္မတရုံးဝန်ကြီးဌာန(၃)
- သမ္မတရုံးဝန်ကြီးဌာန(၅)

လျှို့ဝှက်

နောက်ဆက်တွဲ(၃)

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

စွမ်းအင်ဝန်ကြီးဌာန

(ဝန်ကြီးရုံး)

အကြောင်းအရာ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည် ညွှန်း ချက် ။ (၁) ဤရုံး၏ ၂၇-၅-၂၀၁၄ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၈၈၂/ထ (၄၅၄/၂၀၁၄)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၁၉-၆-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၃၈/၂၅၇/အဖရ(၁၁/၂၀၁၄)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၅ ခုတို့အား ကုန်းပိုင်းလုပ်ကွက်များဖြစ်သည့် B-2(ဖီးဖြူတောင်-နန်တောဒေသ)၊ EP-3 (သဲကုန်း-ရွှေကူဒေသ)၊ EP-1(ကျောက်ကြီး-မင်းတုန်းဒေသ)၊ C-1(အင်းတော်-ရနန်းဒေသ)၊ PSC-H (တောင်ငူ-ပျဉ်းမနားဒေသ)၊ MOGE -4 (မြင်သာဒေသ)၊ EP-4(မရမန်ဒေသ)တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်( Production Sharing Contract –PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၄-၆-၂၀၁၄ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စုအစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ် (၁၁/၂၀၁၄)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလို ဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)

(ငွေအောင်၊ရုံးအဖွဲ့မှူး)

သို့-စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) ( ၂၆၂၁ ) ၂၀၁၄

ရက် စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂ ရက်

လျှို့ဝှက်